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The Tasmanian Jobs Programme Evaluation

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Evaluation team

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Abbreviations and Acronyms

ABS	Australian Bureau of Statistics
AME	Average Marginal Effect
DEETYA	Department of Education, Training and Youth Affairs
DEEWR	Department of Education, Employment and Workplace Relations
DES	Disability Employment Services
DHS	Department of Human Services
DSP	Disability Support Pension
EPF	Employment Pathway Fund
GFC	Global Financial Crisis
JSA	Job Services Australia
JSCI	Job Seeker Classification Instrument
LEC	Local Employment Coordinator
LTU	Long-term Unemployed
MTU	Medium-term Unemployed
RED	Research and Evaluation Dataset
TJP	Tasmanian Jobs Programme
VLTU	Very Long-Term Unemployed

Executive Summary

The Tasmanian labour market is among the weakest in Australia, characterised by high unemployment (especially of youth) and underemployment rates; a higher proportion of jobs that are lower-skilled and part-time; a labour force that is older and has lower levels of education; and high levels of long-term unemployment (LTU; i.e. unemployed for 12 months or longer).

This report examines the effectiveness of the Tasmanian Jobs Programme (TJP), a pilot wage subsidy program introduced as a two year trial on 1 January 2014. It became available in Job Services Australia (JSA) and Disability Employment Services (DES) on 1 January 2014 and ended on 31 December 2015. The jobactive model of employment services replaced the JSA model for the last six months of the TJP. It was designed with the objective of helping Tasmanian job seekers who were, or were at risk of being, LTU to find sustained employment. The program included $5.9 million in funding for 2,000 placements over two years to December 2015.

As originally implemented, the TJP was available for full-time positions to job seekers who had, for the preceding six months or more, been Tasmanian residents and in receipt of Newstart Allowance, Youth Allowance (Other), or Parenting Payment with participation requirements. On 13 May 2015, as part of the '*Growing Jobs and Small Business Package'* announced in the 2015 – 16 Budget, changes were made to the TJP by increasing subsidy payments available for full-time positions and making part-time positions eligible for the TJP.

This evaluation addressed the key question of interest of how effective the TJP had been in providing sustained employment opportunities for Tasmanian job seekers who had been unemployed for six months or more. TJP outcomes are assessed against Key Performance Indicators (KPIs) established for the program. The report also draws on employer and employment service provider surveys to provide context on the use and perceived usefulness of the TJP (and wage subsidies more generally) as a labour market assistance tool.

Key Findings

Low program take-up

Overall, there were 363 TJP commencements during the two year operation of the TJP pilot (from 1 January 2014 to 31 December 2015): 155 under Job Services Australia (JSA), 193 under jobactive and 15 under Disability Employment Services (DES). This fell well short of the 80 per cent target (being 18.2 per cent of the 2,000 allocated placements) and was proportionally lower than the take-up rate of another wage subsidy, the Restart wage subsidy, in Tasmania.

The significantly higher TJP placement rate during the six months of jobactive operation (from 1 July 2015) in comparison to the 18 month JSA period likely reflects the differing options available to providers in this type of assistance under the two models.[1]

In addition, most employers (66.7 per cent) who had employed a job seeker through the TJP reported that the TJP had not influenced their decision to hire the job seeker at all, implying a high level of deadweight loss.[2]

Most TJP placements were in the largest employing and growth industries in Tasmania, such as Construction, Retail Trade, and Accommodation and Food Services. Of the total eligible cohort, job seekers who took up TJP placements tended to be those that had the least barriers to employment, such as shorter durations of unemployment. Reflecting the typical employee characteristics of the industries using the TJP, they were also more likely to be young or male job seekers.

Poor program take-up was probably due to a combination of factors, including:

- a weak Tasmanian labour market resulting in high competition for jobs
- low program awareness due to:
  - limited targeting in practice by employment service providers (providers) and/or
  - limited use of providers by Tasmanian employers who tend to prefer informal recruitment methods, and
- program design issues, including:
  - a target population that was the subject of negative employer attitudes
  - low incentive payment amounts
  - payment available only after 26 weeks, and
  - initially restricting the TJP to full-time job placements only.[3]

Positive sustained employment and income support outcomes

Of all job seekers participating in the TJP prior to 30 April 2015, 76.7 per cent sustained employment for 13 weeks, 64.1 per cent for at least 26 weeks, with 50.4 per cent achieving an incentive payment.[4] These conversion rates met all targets set and were higher than those of the Restart wage subsidy in Tasmania during the same time period.

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1 These results are current as at 29 March 2016. While the TJP program was closed to new applicants from 31 December 2015 there is a chance that some placements which had been previously approved have not yet been reported to the Department.

2 *Deadweight loss* is the use of a wage subsidy to place a job seeker who would have got the job without a subsidy.

3 The requirement that only full-time jobs were eligible for the TJP was changed from 13 May 2015 with part-time jobs also eligible for the TJP from that date.

4 The TJP provided one-off incentive payments of $3,250 (GST inclusive) to Tasmanian businesses that employed eligible job seekers on a full-time basis for at least 26 weeks (pro-rata, or partial, payments for placements less than the minimum 26 weeks were not available). See Section 2.1 for a description of the program.

Income support outcomes were measured for these JSA job seekers nine months after job placement. Of those who achieved a TJP incentive payment, 71.2 per cent were off income support nine months after commencing their placement. Job seekers who commenced a TJP placement had a significantly higher probability of being off income support than comparable job seekers in Tasmania who commenced non-TJP subsidised placements over the same time period.

These findings are consistent with evidence from other wage subsidies evaluations showing that, compared to unsubsidised jobs, subsidised jobs are more likely to be sustained and to be associated with higher off-income support rates (Department of Employment, 2016). On the other hand, they may partly reflect selection of the 'best candidates' by providers or employers for the TJP, who are more likely to have better outcomes anyway (Graversen & Jensen, 2006). Where rewards exist for successful placement of a member of the target group, strong incentives exist for either the person administering the programs and/or the employer to select the 'best' of the bunch (Webster, 1997).

Summary

The TJP was available to medium and long term unemployed job seekers[5], who appear to benefit the most from wage subsidy programs and make up a relatively higher proportion of the Tasmanian job seeker population.

Despite the low take-up rate, sustained employment outcomes were observed for those job seekers who participated in the program. Furthermore, the conversion rates achieved by the TJP outperformed those of the Restart wage subsidy in Tasmania.

The overall effect of the TJP was limited by low program take-up by employers. Some key lessons emerge from the TJP trial:

- Wage subsidies are effective for particular cohorts of job seekers if the subsidy is appropriately designed.
- Future initiatives should carefully consider barriers to program take-up such as: the labour market conditions; program awareness by employers; and the design of the program.
- Consideration should be given to tailoring the design of wage subsidies based not only on job seeker characteristics, but also with reference to business type and size.

[5] Medium term unemployed job seekers are those who have been unemployed between six months and one year. Long term unemployed job seekers are those who have been unemployed for one year or longer.

1. Introduction

1.1. Scope

This evaluation examines the effectiveness of the Tasmanian Jobs Programme (TJP), a pilot wage subsidy program introduced on 1 January 2014.

The key evaluation question in this report is if the primary objective of the TJP, to help Tasmanian job seekers who had been unemployed for six months or more to find sustained employment, was achieved.

How effective was the Tasmanian Jobs Programme in providing sustained employment opportunities for Tasmanian job seekers who had been unemployed for six months or more?

This overarching question will be evaluated by answering the following questions, which correlate with the TJP's Key Performance Indicators (KPIs) and its short and medium term objectives:

1. What was the demand for TJP places?
2. Did the TJP contribute to higher rates of sustained (13 and 26 week) employment outcomes for eligible job seekers?
3. Was there a decrease in reliance on income support (26 weeks and beyond) for eligible job seekers?
4. Did the number or proportion of job seekers in Tasmania unemployed for six months or more decrease?

In addition to the above questions, the evaluation will seek to identify:

- factors that affected uptake of the program
- unintended consequences of the program
- key lessons and suggested actions to improve the effectiveness of future initiatives.

1.2. Methodology

1.2.1. The study population

TJP job placements that commenced between 1 January 2014 and 31 July 2015 are used in this analysis. Given the small proportion of TJP placements which were under Disability Employment Services (DES) (3.9 per cent), this evaluation primarily focusses on TJP placements within the JSA and jobactive caseloads.[6]

[6] Of the 181 TJP-subsidised placements commenced by 31 July 2015, 152 were made under JSA, 22 were made under the current employment service model, *jobactive,* and seven were made under DES.

Three caseload populations are used:

- the Tasmanian JSA caseload as at 1 January 2014
- the Tasmanian JSA caseload as at 1 July 2014
- the Tasmanian jobactive caseload as at 1 July 2015.

A caseload population consists of job seekers in various stages of connection with employment services. It includes, but is not limited to: job seekers registered with employment services and pending a placement with a service provider; job seekers registered, placed and receiving services from a service provider; job seekers connected with a service provider but suspended from participation; and job seekers in the process of exiting from services.

Additionally, details of all Tasmanian JSA full-time job placements between 1 January 2014 and 31 October 2014 are used to compare with TJP job placements commenced in this same time period. Take-up and conversion rates of Restart wage subsidies in Tasmania during the same time period are also compared with TJP rates.

1.2.2. Outcome measures

The outcome measures used in this evaluation relate to the KPIs for the program, which are:

- Program demand:
  - KPI 1(a): 80 per cent of allocated placements commence
  - KPI 1(b): 45 per cent of commenced placements achieve the incentive payment
- Employment outcomes:
  - KPI 2(a): 60 per cent of commenced placements achieve a 13 week outcome
  - KPI 2(b): 45 per cent of commenced placements achieve a 26 week outcome
- Reliance on income support:
  - KPI 3: 80 per cent of placements that achieve the incentive payment (for employers) have job seekers who remain off income support nine months after commencing.

1.3. Data sources

A variety of quantitative and qualitative data sources are used in this evaluation, including:

- **Department of Employment administrative data**
  This data includes information on job seekers who have received employment assistance including their Job Seeker Classification Instrument (JSCI) assessments, types of assistance received through employment services, job placements and paid outcomes.

- **Income support data in the Research and Evaluation Dataset (RED)**
  RED consists of unit record level data for customers on income support payments (excluding Department of Veterans' Affairs pensions) who were on an income support payment with duration of at least one day since 1 July 1998.

- **ABS labour force data**
  The monthly Labour Force Survey (LFS) is a survey of a randomly selected sample of households in every state and territory. Employment data used at the national and state level are trend (where possible). For consistency across data sets, employment is 'total' and includes full-time and part-time workers of all ages.

- **2011 Employer Incentives Survey**
  The Employer Incentives Survey was a one-off department-run survey conducted in 2011 designed to gather evidence about the effectiveness of wage subsidies. The survey targeted employers who had used a wage subsidy and sought information about the subsidies' usefulness and effectiveness.

- **2015 Wage Subsidies Survey**
  A recent survey of employers who employed JSA job seekers with a wage subsidy (Employment Pathway Fund (EPF) or Restart).

- **2012 and 2015 Survey of Employers**
  The Survey of Employers collects information about employers' recruitment practices, use of government-funded employment services and other assistance and attitudes towards hiring people in key groups of interest. The survey unit is the primary person responsible for recruitment at a worksite. The samples are drawn from both commercial business lists and from employers who have used government-funded employment services. For the 2015 survey, interviews were conducted 12 to 14 November 2014 (qualitative data) and surveys conducted 16 February to 21 April 2015 (quantitative data).

- **2015 Survey of Employment Service Providers**
  The Survey of Employment Service Providers has been run by the Department of Employment annually since 1999. The survey seeks the views of providers on the quality of services provided by the Department of Employment and on issues surrounding the delivery of employment services. In 2015 surveys were conducted from February to March 2015 (quantitative data) and interviews from March to April 2015 (qualitative data). Interviews were conducted with site and case managers from metropolitan, regional, and rural locations across Australia.

- **2015 Survey of Employers' Recruitment Experiences**
  The Department of Employment conducts Surveys of Employers' Recruitment Experiences in various regions and industries across Australia. The surveys are the only source of ongoing, up to date information on employers' recent and expected demand for skills and labour at a local level.

- **NESA 2014 Survey of Employment Service Providers**
  Phone interviews were conducted by the National Employment Services Association (NESA) from 26 February to 20 March 2014 (qualitative data) with their Tasmanian service provider members to discuss the implementation of the Tasmanian Jobs Programme.

- **Interview with North West/Northern Tasmanian Local Employment Coordinator (LEC)** Conducted 19 June 2014 (qualitative data).

2. Background

2.1. The Tasmanian Jobs Programme

The Tasmanian Jobs Programme (TJP) was a wage subsidy pilot program. It was introduced to address the high level of unemployment and welfare dependency in Tasmania by encouraging job creation and helping job seekers who were, or were at risk of being, long-term unemployed (LTU) to find sustained employment.

The TJP was announced in August 2013, aimed at supporting economic growth and jobs in Tasmania. It became available in Job Services Australia (JSA) and Disability Employment Services (DES) on 1 January 2014 and ended on 31 December 2015. TJP could be used in conjunction with other wage subsidy programs for which particular job seekers were eligible. Other initiatives under the Growth Plan have also been implemented by various government departments, including the *Tasmanian Jobs and Growth Package,* which includes, among other elements, a $100 million funding for selected projects in Tasmania (Department of Infrastructure and Regional Development, 2014).

The TJP provided one-off incentive payments of $3,250 (GST inclusive) to Tasmanian businesses that employed eligible job seekers on a full-time basis for at least 26 weeks (pro-rata, or partial, payments for placements less than the minimum 26 weeks were not available). The TJP was available to job seekers who were Tasmanian residents and in receipt of income support payments (i.e. Newstart Allowance, Youth Allowance (Other) or Parenting Payment with participation requirements) for the preceding six months.[7] The program included $5.9 million in funding for 2,000 placements over two years to December 2015.

On 13 May 2015, as part of the '*Growing Jobs and Small Business Package*' which was announced in the 2015 Budget, changes were made to the TJP to make higher subsidy payments available for full-time positions and payments available for part-time positions. All agreements that commenced from 13 May 2015 were eligible to receive the new amount of $6,500 (GST inclusive) for full-time placements, or $3,250 (GST inclusive) for part-time placements with a minimum of 25 hours per week. All amounts were paid as a lump sum at the end of 26 weeks of continuous employment. Casual jobs remained ineligible.

2.2. Wage subsidy programs in Job Services Australia

Australia has implemented a number of wage subsidy programs under various employment services models. More recently, several short-term wage subsidy programs (including the TJP) were introduced to the JSA (2009-2015) model to assist unemployed Australians to gain sustained

[7] It is not always possible to determine exactly how long a person has been unemployed from administrative data. Unemployment duration is estimated by duration of attachment to the income support system.

employment. Although the available programs varied in their targeting and payments, all were temporary, or hiring, incentives paid to employers who recruited an unemployed person through an employment service provider (i.e. JSA or DES provider).[8]

Table 2.1 compares the wage subsidy programs available within the JSA model. Consistent with feedback from Australian employers indicating that an employer will usually know within three to six months if a new recruit is suitable, payments under the TJP and Restart were made only after the first six months of the placement.[9] Like the Wage Connect and Restart subsidies, which were targeted at very long-term unemployed (VLTU; i.e. unemployed for 24 months or longer) and older (i.e. 50 years of age or older) job seekers respectively, the TJP was available to specific job seekers. TJP and Restart had no pro-rata payments for placements ending before the minimum 26 weeks duration. Unique to the TJP, placement in a full-time job was required to be eligible (until the program was revised on 13 May 2015).

The JSA model was replaced by jobactive on 1 July 2015. Restart and TJP wage subsidies were retained under jobactive (note that the TJP pilot program ended on 31 December 2015). Additional wage subsidies were also introduced, targeted at LTU, LTU youth (under 30 years), and Indigenous job seekers.

In addition to the TJP, Wage Connect, and (as of 7 December 2014) Restart wage subsidies, eligible job seekers registered with a DES provider can access the Wage Subsidy Scheme. This subsidy of up to $1,500 (GST exclusive) is paid to employers who employ a job seeker with disability for at least eight hours per week for at least 13 weeks, with the expectation of ongoing employment. By contrast, the Employment Pathway Fund (EPF) subsidy offered under JSA was a more flexible program with the amount, duration, and payment structure negotiated between providers and employers. The DES model also differs from mainstream assistance offered by JSA because it provides eligible job seekers up to 18 months of specialist assistance to build work capacity until suitable employment is found. This is followed by post-placement support for up to six months, as well as ongoing support if required.

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8 *Note*: A separate Wage Subsidy Scheme is available to employers who employ a job seeker with a disability who is registered with a DES provider. On 18 September 2013, responsibility for this program was transferred to the Department of Social Services.

9 DEEWR. 2012 Survey of Employers.

Table 2.1: Wage subsidy programs associated with Job Services Australia

	Employment Pathway Fund	Wage Connect	Restart[a]	Tasmanian Jobs Programme[a]
Program start date	1 July 2009[b]	1 January 2012[c]	1 July 2014	1 January 2014
Structure	Demand-driven[d]	Capped at 10,000 per annum[e]	N/A	Capped at 2,000 until 31 December 2015
Income support payment type	N/A	Must have been receiving income support for at least 24 months	Must have been receiving income support for at least 6 months[f]	Must have been receiving income support for at least 6 months[g] and have activity test or participation requirements at the time the job commenced
Unemployment duration	N/A	No or minimal employment and insufficient income to reduce to nil rate income support for at least 24 months		
Other	N/A	N/A	Must be at least 50 years of age	Must have been a Tasmanian resident for at least 6 months
Timing and amount	Negotiable[h]	Full rate Newstart Allowance over 26 weeks (approx. $6,050 per placement, or $233 per week)[h]. Payments are made in arrears at negotiated intervals	$10,000 total: $3,000 after 6 months, $3,000 after 12 months, $2,000 after 18 months, and $2,000 after 24 months	***1 Jan 2014–12 May 2015:*** $3,250 one-off payment after 26 weeks' full-time employment ***From 13 May 2015:*** $6,500 one-off payment after 26 weeks' full-time employment $3,250 one-off payment after 26 weeks' part-time employment
Placement eligibility	Negotiable	Min 15 hours per week [i]	Min 15 hours per week [i]	***1 Jan 2014–12 May 2015:*** Full-time only ***From 13 May 2015:*** Part-time placements also allowed (min 25 hours per week)
Available to combine with other Commonwealth wage subsidies	Yes (all other eligible wage subsidies)	Yes (EPF)	Yes (TJP)	Yes (all other eligible wage subsidies)

	Employment Pathway Fund	Wage Connect	Restart[a]	Tasmanian Jobs Programme[a]
Pro-rata payments based on the actual employment period available	Yes	Yes	No. Job seeker must stay in the job for at least 6 months in order for a payment to be received.	No

(a) Rolled into the jobactive employment service model on 1 July 2015.
(b) Wage subsidies are no longer accessed through EPF effective 1 July 2015.
(c) Wage Connect was temporarily paused to new applications from February 2013 until June 2013 and again from December 2013 until the program ceased on 30 June 2015
(d) Subject to a provider having sufficient EPF credits.
(e) Allocation across JSA and DES, available on a first come first served basis, capped at 35,000 over four years.
(f) Newstart Allowance, Parenting Payment, Disability Support Pension, Austudy, Bereavement Allowance, Widow Allowance, Carer Payment, Special Benefit, Partner Service Pensioners, War Widows Pension, Age Pension, Mature Age Partner Allowance, Wife Pension, or Widows B Pension.
(g) Newstart Allowance, Youth Allowance (Other) or Parenting Payment.
(h) Amounts exclude GST. Wage subsidy must not exceed wages during the subsidised employment period.
(i) Partial payment amounts available for part-time placements.

2.3. The Tasmanian Labour Market

2.3.1. Labour market conditions

Figure 2.1 shows the fluctuations in the Tasmanian labour market over the past decade. Conditions were strongest between May and August 2008, with the unemployment rate falling to a low of 4.1 per cent, below the national average of 4.2 per cent, and the participation rate peaking at 62.6 per cent.

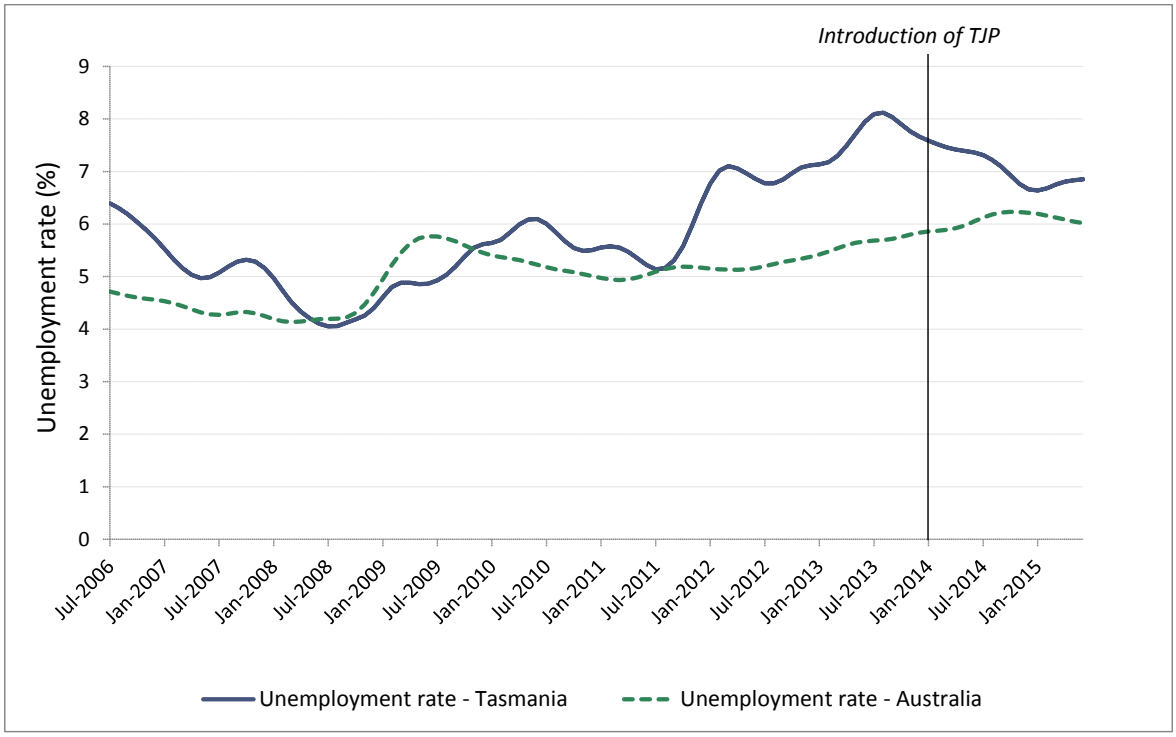
Both the Australian and Tasmanian labour markets deteriorated with the onset of the Global Financial Crisis (GFC) in September 2008, and showed signs of recovery over 2010, such that the national and Tasmanian unemployment rates were equivalent at 5.1 per cent by July 2011. From 2011 onwards, there was a slow-down in this recovery that was especially pronounced in Tasmania.

In the 18 months since the TJP commenced in January 2014, the Tasmanian labour market had shown some improvement relative to the weakened Australian labour market. Gross flow data (which shows the transition rates between the alternative labour market states of 'employed', 'unemployed', and 'not in the labour force') indicates that, from mid-2010 onwards, Tasmanians had a greater increase in the probability of transitioning from unemployment into employment, and a greater decline in the probability of transitioning out of the labour force from unemployment, compared to all other states combined (Australian Bureau of Statistics, 2015b).

Even with this improvement, however, Tasmania's unemployment rate remained the highest of any Australian state or territory until December 2014. For the remainder of the period of operation of the Tasmanian Jobs Programme (to December 2015) only South Australia's unemployment rate exceeded Tasmania's (Australian Bureau of Statistics, 2016). In November 2014 Tasmania had the nation's highest rate of labour force underutilisation (i.e. the number of people classified as unemployed or underemployed) at 17.6 per cent (compared to the national

rate of 14.7 per cent) (Australian Bureau of Statistics, 2016). Furthermore, Tasmania's participation rate remained below the national participation rate by between two and five percentage points over the same period, and remains the lowest in Australia for workers aged 15-64 years (Australian Bureau of Statistics, 2016). Finally, labour demand (measured by the number of online job vacancy advertisements) declined by 7.3 percent in Tasmania over the year to October 2015, compared to the increase of 2.9 per cent observed nationally (Department of Employment, 2015a).

Figure 2.1: Unemployment rates, 2006 to 2015, Australia and Tasmania, (trend)



Source: Australian Bureau of Statistics, Labour Force Australia, 'Table 01. Labour force status by Sex – Trend' and 'Table 09. Labour force status by Sex – Tasmania – Trend, Seasonally adjusted and Original', time series spreadsheets, cat. no. 6202.0, viewed 30 July 2015.

2.3.2. Industries

The largest employing industries in Tasmania are Health Care and Social Assistance, Retail Trade, Education and Training, Accommodation and Food Services, and Construction (Australian Bureau of Statistics, 2015d). Future growth in Tasmania is projected in these industries, which is broadly consistent with the pattern of growth nationally, whilst the shift away from employment in the Mining, Manufacturing, and Agriculture, Forestry and Fishing industries is expected to continue (Department of Employment, 2015b). Despite job losses in the Agriculture, Forestry and Fishing industry, it remains an important employer in Tasmania, supporting a larger proportion of the Tasmanian workforce (5.4 per cent) compared to the national average (2.8 per cent). The Tasmanian economy is therefore highly reliant on sectors where employment opportunities tend to be seasonal, part-time and casual (Department of Employment, 2012). By contrast, a relatively small proportion of the Tasmanian workforce is employed in the Professional, Scientific and Technical Services (4.6 per cent) compared to the national average (8.2 per cent), which tend to

have more highly-skilled and full-time or part-time ongoing employment opportunities (Australian Bureau of Statistics, 2011, 2013, 2015d).

As of June 2014, there were an estimated 37,484 businesses operating in Tasmania. The greatest number of businesses were in the the Agriculture, Forestry and Fishing (5,847) and Construction (5,595) industries, which is indicative of their importance as employers in Tasmania. Approximately 96 per cent of all businesses were small businesses (i.e. with fewer than 20 employees). These small businesses account for around 50 per cent of the Tasmanian labour force (Australian Bureau of Statistics, 2014a; Tasmanian Government, 2015).

2.3.3. Labour force profile

Compared with the Australian labour force, the Tasmanian labour force is:

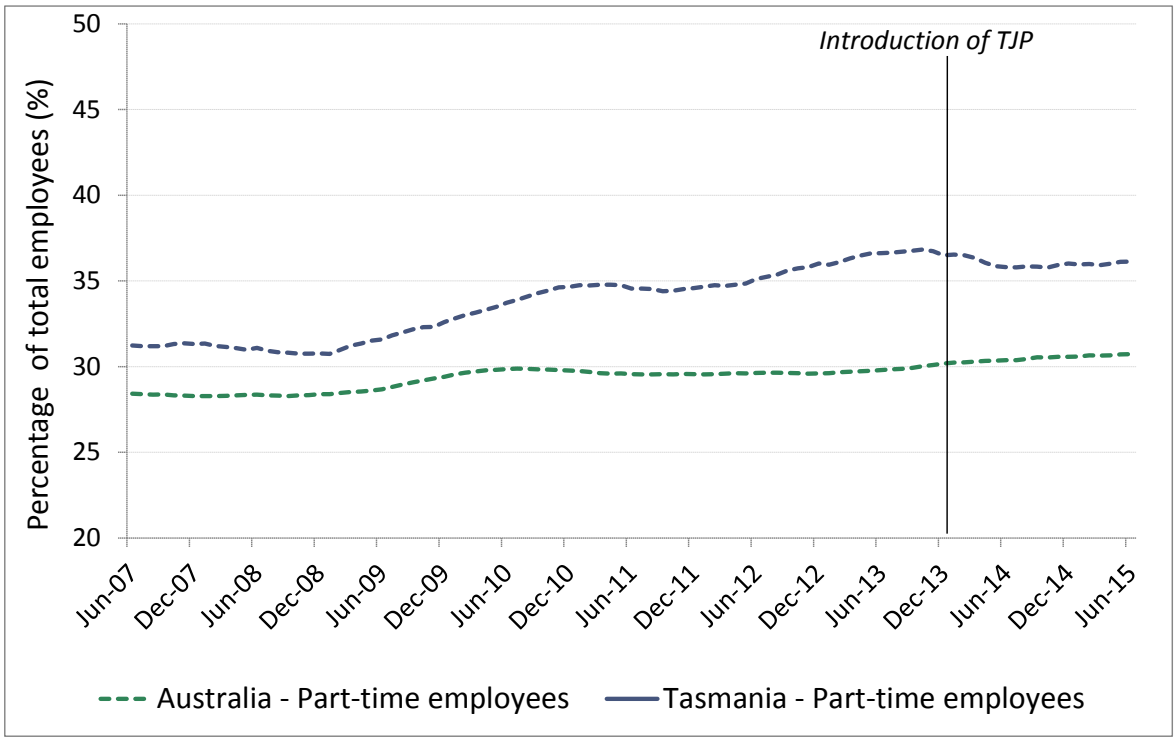
- more likely to be employed part-time rather than full-time
- older
- less educated
- more likely to become long-term unemployed (LTU).[10,11]

Following the onset of the GFC, the shift towards part-time from full-time work has been greater in Tasmania compared to the rest of Australia (Figure 2.2). During the first 18 months of the TJP, on average 35.9 per cent of employed Tasmanians were in part-time work (compared to 30.6 per cent nationally). Weak economic conditions have arguably reinforced a trend towards reduced working hours, from full-time to part-time work. Over the longer-term, this trend may exacerbate weak job seeker attachment to sustainable work and decrease 'job-readiness', as employers have less incentive to invest in upskilling their employees with an increasingly mobile workforce (Horn, 2010).

[10] LTU is defined as unemployed continuously for 52 weeks (12 months) or longer.

[11] Australian Bureau of Statistics, Labour Force Australia, 'Table 12. Labour force status by Sex – States and Territories', June 2015, time series spreadsheet, cat. No. 6202.0.

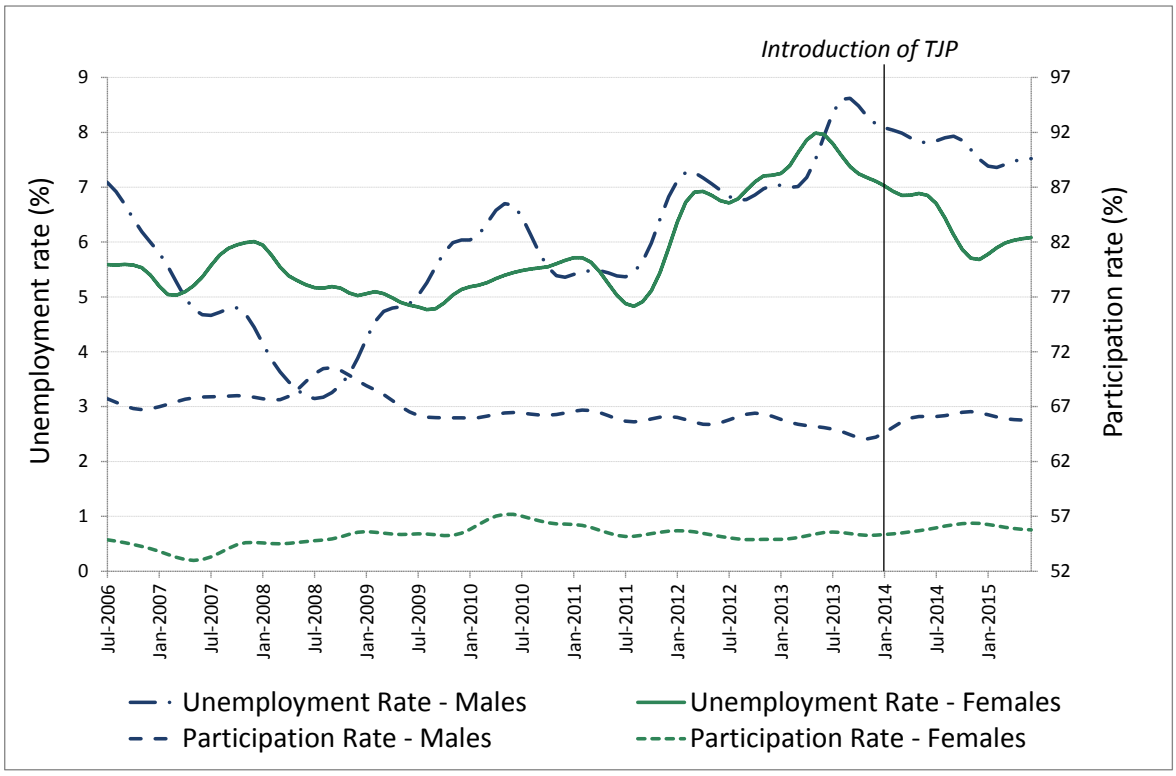
Figure 2.2: Part-time employed persons, 2006 to 2015, Australia and Tasmania, (original, 12-month moving averages)



Source: Australian Bureau of Statistics, Labour Force Australia, 'Table 12. Labour force status by Sex – States and Territories', June 2015, time series spreadsheet, cat. No. 6202.0, viewed 30 July 2015. Data are 12-month moving averages of original data.

Of all the states and territories, Tasmania had the highest proportion of mature age workers (45 years or older), 45.2 per cent versus 39.3 per cent nationally, in addition to the highest youth (15-24 years) unemployment rate (17.1 per cent versus 13.5 per cent nationally) (Australian Bureau of Statistics, 2015c). Consistent with the national trend, the Tasmanian youth unemployment rate is higher and increasing more rapidly over time compared with older age groups, and they are the only age group to have shown a fall in their participation rate over the previous decade. Youth employment is significantly more sensitive to changes in the economic cycle, with rising unemployment due primarily to a fall in aggregate demand (Junankar, 2015). Since the TJP began, the unemployment rate for Tasmanian females had recovered to a greater extent, compared to males (see Figure 2.3). Given the increase in total job vacancies over the same period (Australian Bureau of Statistics, 2015a), this may be partly attributable to an increase in the number of males actively seeking work (as implied by the increased male participation rate).

Figure 2.3: Unemployment and participation rates for males and females, 2006 to 2015, Tasmania, (trend)



Source: Australian Bureau of Statistics, Labour Force Australia, 'Table 09. Labour force status by Sex – Tasmania – Trend, Seasonally adjusted and Original', time series spreadsheet, cat. No. 6202.0, trend data, viewed 30 July 2015.

Compared to the rest of Australia, Tasmanian job seekers are more likely to have lower education levels. Of Tasmanians aged 20-64 years, 44.3 per cent have Year 12 or equivalent (compared with 61.8 per cent nationally) and 19.4 per cent have a Bachelor Degree or above (compared with 27.2 per cent nationally). On the other hand, a relatively large proportion of Tasmanians have vocational education and training (VET) qualifications (34.0 per cent hold a Certificate III or higher VET qualification, compared with 30.2 per cent nationally) (Australian Bureau of Statistics, 2013). These lower education levels are consistent with Tasmania's greater share of job vacancies for lower-skilled jobs (50.4 per cent compared with 40.4 per cent nationally) (Department of Employment, 2015a).

The proportion of Tasmanian job seekers unemployed for 26 weeks or longer has increased over the last five years to 46.6 per cent, which is the highest of any state in Australia and well above the 38.5 per cent recorded nationally (Figure 2.4). Medium-term unemployed job seekers (MTU; i.e. unemployed for 26 to 51 weeks) are at risk of becoming LTU, which is associated with greater difficulties in finding subsequent work due to loss of motivation, skill depreciation, and marginalisation from the labour market. Prolonged periods of high LTU rates can also lead to a reduced labour supply, as discouraged workers who do not find jobs tend to leave the labour force, whilst prospective entrants may not enter the labour force in situations of high unemployment (Calmfors, 1994). Given their generally higher rate of labour force participation,

males consistently account for the majority of the LTU in Tasmania (Economic Research Unit, 2005).

Figure 2.4: Unemployed persons by duration of unemployment, 2010 to 2015, Australia and Tasmania, (trend)

Note: Refer to Appendix A, Table A.1.

Source: Australian Bureau of Statistics, Labour Force Australia, 'SA4 – Unemployment Duration', June 2015, time series spreadsheets, cat. no. 6202.0, viewed 30 July 2015.

2.4. The Tasmanian JSA caseload

Job seekers in the Tasmanian JSA caseload at the commencement date for TJP, 1 January 2014, appear to have had more barriers to employment compared to the JSA caseload for the rest of Australia (Table 2.2) (Table A.2).

Table 2.2: Characteristics of job seekers on the JSA caseload in Tasmania compared with the rest of Australia, at 1 January 2014 (per cent)

Job seeker characteristics	Tasmania	Rest of Australia
Stream 2 or 3	51.5	43.9
LTU: 1 year to less than 2 years	19.7	19.1
VLTU: 2 years or more	40.2	33.8
Male	56.3	52.7
Youth: Under 22 years of age	18.3	16.5
Mature: Over 50 years of age	22.0	20.8
Early school leaver: Year 12 or equivalent not completed	44.1	40.0
Ex-offender	14.0	10.9

Source: Department of Employment administrative data.

2.5. Effectiveness of wage subsidies – evidence from other programs

2.5.1. Objectives of wage subsidy programs

Active labour market programs (ALMPs) aim to increase the likelihood of employment for unemployed individuals, by improving their access to the labour market or their job-related skills and job readiness (Borland, 2014; Martin & Grubb, 2001). Wage subsidies are a type of ALMP which increase access to the labour market for selected individuals by encouraging employers to give preference to targeted groups of disadvantaged job seekers in their hiring decisions (Auer, Efendioglu, & Leschke, 2005). Wage subsidies paid to employers can be used to help lower the real or perceived cost of recruitment, making recruiting from the target group more attractive. They also give the job seeker a chance to show their suitability for a job by demonstrating and developing their skills during the subsidised employment period (Carling & Richardson, 2001; Department of Employment, 2016; Richardson, 1997). Similarly, employers can use the subsidised employment period to screen potential employees they would otherwise regard as inherently risky (O'Neil & Neal, 2008). Longer-term, the additional training and skill development obtained whilst employed on a subsidy may improve the job seeker's overall employability.

Additionality

By reducing labour costs, wage subsidies may have the effect of encouraging employers to fill vacancies that would otherwise not be filled thereby creating 'new' jobs (Department of Employment, 2016). This is known as the additionality effect. While job creation is typically a goal of wage subsidy programs (and ALMPs more generally), they do not significantly affect the total number of jobs available in the economy, particularly in weak labour markets (Borland, 2014). Wage subsidies tend to have low levels of both take-up and additionality when the economic

cycle is in decline and aggregate demand is low (Stretton & Chapman, 1990).Wage subsidies appear to be most beneficial in the early phase of a recovery, when job creation rates rise and there remains a large pool of unemployed job seekers (Quiggin, 2001).

Wage subsidy programs may fail to create new jobs due to *substitution*, *displacement,* and *deadweight loss*.

Substitution is the employment of a job seeker from the target group at the expense job seekers who are not in the target group. Employment of a job seeker from the target group at the expense of job seekers in competing businesses and industries is known as *displacement* (Bell, Blundell, & van Reenan, 1999; Department of Employment, 2016). These effects may be considered unimportant, given that wage subsidy programs are intended to redistribute available jobs in an economically efficient way (Fay, 1996). The redistribution of employment insecurity to other job seekers and prioritisation of (potentially) only short-term reattachments to the labour force has been a criticism of wage subsidy programs in the past (Mitchell & Quirk, 2005). However, recent departmental research found that the positive effects of inducing employers to hire the long-term unemployed can outweigh substitution effects and result in net economic gain, with increased outflows from long-term unemployment producing more short-term unemployed who are more desirable to employers (Department of Employment, 2016).

Deadweight loss is a deficiency caused by inefficient use of resources. In the case of wage subsidies it occurs where a subsidy is used to place a job seeker who would have got the job without a subsidy. Deadweight tends to be greater in tighter labour market conditions where, with fewer applicants per job vacancy, employers may choose to relax their screening criteria (Welters & Muysken, 2006). Conversely, deadweight tends to be minimised when wage subsidy programs are carefully targeted for eligibility and have strict regulations, including penalties for employers who terminate employment after the subsidy period (Auer et al., 2005; Rotger & Arendt, 2010). It should also be noted that tight targeting and close monitoring of employer behaviour may involve a trade-off with employer take-up and increased regulatory burden (Martin & Grubb, 2001).

Wage subsidy programs in several OECD countries, including Australia, tend to produce additionality of around 10 per cent, given estimated combined deadweight and substitution effects of around 70 to 90 per cent (Byrne & Buchanan, 1994; Calmfors, 1994; Fay, 1996; Martin & Grubb, 2001; Department of Employment, 2016). For instance, surveyed employers who received the EPF wage subsidy under JSA reported that around 11 per cent of subsidised jobs were new positions created specifically for the job seeker, and 30 per cent of cases were considered pure deadweight.[12] Pure deadweight (no employment benefit) rates of around 30 per cent were also found for DES wage subsidy programs in 2011 (Department of Employment, 2016). More recent survey results indicate that wage subsidies resulted in new jobs in 4.9 per cent of

[12] DEEWR, 2011. Employment Incentives survey.

EPF cases (with 28.3 per cent pure deadweight) and only 0.9 per cent of Restart cases (with 43.6 per cent pure deadweight).[13] It is possible, however, that deadweight effects associated with wage subsidies may be overestimated, given that employers responding to surveys are likely to understate the influence of wage subsidies on their hiring decisions with the benefit of hindsight (Wolff & Stephan, 2013).

A major criticism of ALMPs is that they often fail to address the demand side of the labour market and, as such, operate to redistribute jobs among different labour market groups rather than creating new jobs (Mitchell & Quirk, 2005; O'Neil & Neal, 2008; Webster, 1997). Arguably, however, the role of wage subsidy programs in job reallocation can improve labour market outcomes by addressing imbalances in the labour market (Immervoll & Scarpetta, 2012). Wage subsidies can 'shuffle the queue' of the unemployed by assisting the long-term unemployed into jobs ahead of the short-term unemployed, who are more desirable to employers and therefore likely to gain other employment anyway (Martin & Grubb, 2001; Richardson, 1997). By keeping individual job seekers in contact with the labour market, wage subsidies may assist in maintaining their motivation and skill levels, keeping as many unemployed as possible 'job ready' and thereby enhancing the effective labour supply available when labour market conditions improve – an important goal even if the net employment gains of these programs is limited (Borland, 2014; Fay, 1996; Martin & Grubb, 2001).

Improved employment outcomes

While some literature shows neglible outcomes of wage subsidy programs (Dar & Tzannatos, 1999), others find significant positive impacts, such as higher subsequent employment rates and earnings, and reduced reliance on income support, compared to other ALMPs (Borland, 2014; Gerfin, Lechner, & Steiger, 2005; Jaenichen & Stephan, 2011; Katz, 1996; Kluve, 2010; O'Connell, 2002; Sianesi, 2001; Stromback, Dockery, & Ying, 1999). Wage subsidies may provide secondary benefits to some job seekers, such as more hours of work or extra training and support. Employers may also benefit from wage subsidies by being able to hire or retain other staff, give other staff more hours of work, and reduce the expected duration and cost of vacancies (Department of Employment, 2016; Richardson, 1997). Secondary benefits associated with JSA wage subsidies have been reported for 46.1 per cent of EPF wage subsidies and 39.0 per cent of Restart wage subsidies.[14] Job seekers who received EPF and Wage Connect subsidies were also more likely to be off income support compared to job seekers who received job placements without a wage subsidy, after controlling for job seeker characteristics (Department of Employment, 2016).

Sustainable employment

Wage subsidies can potentially integrate individuals into the labour market more often and for longer than would occur without a subsidy - for instance, due to retention of subsidised

[13] Department of Employment, 2015 Wage Subsidy survey.

[14] Department of Employment, 2015 Wage Subsidy survey.

employees beyond the subsidy period (Neubaumer, 2010; O'Neil & Neal, 2008; Richardson, 1998; Wolff & Stephan, 2013). Analysis of the EPF and Wage Connect subsidies operating under JSA found that subsidised jobs were significantly more likely to be sustained for 26 weeks compared to unsubsidised jobs. In addition, subsidised jobs were more likely than unsubsidised jobs to be full-time or part-time ongoing jobs, and less likely to be casual (Department of Employment, 2016). Selection effects, where the 'best candidates' are selected by providers or employers, are likely to account for some of the positive effects of wage subsidies on sustainable employment outcomes (Graversen & Jensen, 2006).

By contrast, wage subsidies can also result in increased employee turnover (Mortensen & Pissarides, 2001) and fail to result in permanent, ongoing jobs (Martin & Grubb, 2001). This may occur when, for instance, employers take advantage of the subsidy by hiring a new employee under a new subsidy after the prior subsidy ends. The repeated cycling between unemployment and subsidised work, so-called *churn* effects (Goebel, 2006; Mortensen & Pissarides, 2001), conflicts with the ultimate goal of wage subsidies which is achieving ongoing, sustainable employment.

Of course, not all employee separations (either during or after the subsidy period) can be attributed to employer-initiated churn. For instance, employers surveyed in both 2011 and 2015 who used JSA wage subsidies reported that placements ended most commonly because the employee decided to leave (possibly for another job or not liking the work) or there were problems associated with employee behaviour or performance.[15]

Wage subsidies that fail to deliver sustained employment post-placement are typically perceived negatively. However, the context of the move to short-term and part-time employment in the Australian labour market and the types of job seekers and employers that wage subsidies assist should be considered. Although achieving full-time employment for job seekers was a goal of the TJP, both international and Australian evidence suggests that, for many unemployed individuals, subsidised casual or part-time employment can still be a positive outcome, improving their longer-term prospects for sustained employment, increased earnings, and transitioning off income support (Buddelmeyer & Wooden, 2008; Department of Employment, 2016; Gerfin et al., 2005; Wolff & Stephan, 2013; Zijl, van den Berg, & Heyma, 2004).

Up-front and partial payments of subsidies to employers when a subsidised placement ends prematurely (i.e. pro-rata payments) may contribute to churn as they reduce the risk of the placement to the employer. One recommendation arising from a recent wage subsidy program evaluation was to avoid pro-rata payments, to encourage better job matching by employment service providers (Department of Employment, 2016). However, up-front payments may assist some employers, such as small businesses and businesses employing job seekers with disability, to hire in the first place.

[15] DEEWR, 2011. Employment Incentives Survey and Department of Employment, 2015 Wage Subsidy survey.

2.5.2. Targeting to reduce deadweight

Job seekers

Wage subsidies in Australia are generally used by providers to broker employment opportunities for eligible job seekers where possible. Providers have discretion in offering a subsidy based on a range of factors, including:

- job seeker characteristics and experience
- local labour market conditions
- a sense of an employer's willingness to hire
- the likelihood of the employer retaining the employee beyond the subsidy period.

Targeting of wage subsidies therefore occurs on two levels: program guidelines specify the broad target group and payment terms and conditions *(targeting policy)* and, operating within these guidelines, providers make on-the-ground judgements about when to offer a wage subsidy *(targeting practice).*

Research shows that wage subsidies should be carefully targeted at job seekers who have significant barriers to employment (Borland, 2014; Calmfors, 1994; Fraser, 1999) in order to maximise their impact while minimising deadweight, substitution effects, and program costs. LTU job seekers represent an ideal target group, given that an individual's chances of re-employment diminishes as their duration of unemployment increases (Fraser, 1999). For instance, in the Australian labour market, research indicates that employment outcomes may be largely determined by previous employment experience and the time spent looking for work in the previous year (Le & Miller, 2001). Consistent with this, evaluations of wage subsidy programs find that the LTU and female re-entrants to the workforce benefit the most from subsidies (Betcherman, Dar, Luinstra, & Ogawa, 2000; Fay, 1996; Katz, 1996; Schunemann, Lechner, & Wunsch, 2013). Disadvantaged youth tend to benefit the least from subsidies (Betcherman et al., 2000; Calmfors, 1994; Heckmann, Lalonde, & Smith, 1999; Martin & Grubb, 2001), as programs targeted at youth appear to require additional components, such as work experience, education, and supporting services, in order to be successful (Grubb, 1999; O'Neil & Neal, 2008).

The relationship between unemployment duration and the probability of re-employment is in part a function of state of dependence, or 'scarring' effects (Le and Miller 2001). This may be due to, for example, some employers' negative attitudes towards the LTU (DEEWR, 2011), with many using unemployment duration as a screening device when recruiting (Welters & Muysken, 2006). In addition, there is evidence that the least employable individuals tend to be gradually sorted out and make up a larger proportion of the LTU (Calmfors, 1994; Jackman & Layard, 1991; van den Berg & van Ours, 1994). Prolonged periods of unemployment can have detrimental personal effects on job seekers, such as deteriorating mental health and self-esteem, which may in turn, contribute to an inability to acquire new skills and poor performance in job interviews (Korpi, 1997). Given the difficulties of restoring labour market competitiveness of the LTU (Jackman & Layard, 1991), some have made an argument for earlier intervention by targeting wage subsidies towards those who are MTU and at risk of LTU (Calmfors, 1994; Layard, Jackman, & Nickell, 1991).

While wage subsidies can help those who are, or at risk of becoming LTU be more effective competitors for jobs, it is important to note too that the offer of a wage subsidy can act as a disincentive for some employers to hire the LTU and reinforce negative perceptions of their levels of productivity, motivation, and job readiness (Blundell, Meghir, Costa Dias, & Van Reenan, 2004; DEETYA, 1996; Martin & Grubb, 2001; Webster, 1998). Moreover, the majority of Australian employers surveyed reported that, for job seekers who are Indigenous, have a physical disability, or have a mental health condition, wage subsidies would either have no effect on whether they would consider hiring the job seeker, or make them less likely to do so.[16] [17]

Business size

In order to minimise the risk of deadweight loss, some studies recommend that wage subsidies be targeted to small businesses as their search costs are a higher percentage of turnover, compared to larger businesses, make them more hesitant to recruit LTU job seekers, (Welters & Muysken, 2006). Although employer-targeted strategies have not been a formalised feature of Australian wage subsidy programs to date, Australian experience suggests that wage subsidies have more influence on the hiring decisions of small employers who are less able to absorb any additional upfront costs associated with recruitment (DEEWR, 2011b). This influence may have a negative impact, resulting in business dependence on wage subsidies and increased employee turnover after the subsidised employment period ends (*churn* effects (Goebel, 2006; Mortensen & Pissarides, 2001).

2.5.3. Design of the Tasmanian Jobs Programme

The design of the TJP generally conforms with the available evidence regarding the efficacy of wage subsidy programs, although potential pitfalls are also noted.

- The TJP was targeted at MTU and LTU job seekers, who appear to benefit the most from wage subsidy programs and make up a higher proportion of the Tasmanian job seeker population. While this may assist with efficient job reallocation, the offer of a wage subsidy may also act as a disincentive for some employers to hire the LTU and reinforce negative perceptions of their levels of productivity, motivation, and job readiness.
- Payments are made after the minimum 26 weeks (six months) of the placement, with no upfront or pro-rata (partial) payments available for placements ending early. Such measures may reduce deadweight and churn effects, and allow employers enough time to know if a new recruit is suitable for the position. However, they also increase the risk and upfront costs associated with hiring a job seeker to employers, and therefore increase the risk of low program take-up, especially by small businesses.
- Only full-time placements were eligible for the program (until 12 May 2015) in order to address the relatively low proportion of full-time employment in Tasmania. However, a

[16] DEEWR, 2011. Employment Incentives Survey.

[17] Relevant percentages: Indigenous = 54 per cent, physical disability = 57 per cent, mental health condition = 64 per cent.

full-time position would be more difficult to attain in the Tasmanian labour market. Such a stringent requirement may also be unnecessary in order to achieve desired program outcomes given the benefits of part-time and casual work for long-term employment outcomes.

3. Demand for the Tasmanian Jobs Programme

3.1. Take-up of Tasmanian Jobs Programme placements

3.1.1. Take-up rate

The take-up (or commencement) rate of the TJP is evaluated using two different measures:

- take-up measured against KPI 1(a), which specified a target take-up rate of 80 per cent of the 2000 allocated placements funded by the TJP by the program's cessation date of 31 December 2015
- a comparison of the take-up of the TJP and Restart (a wage subsidy program with some comparable features) under JSA/jobactive only. Take-up rates are calculated as a proportion of the JSA caseload eligible for each program as of 1 July 2014, when Restart was introduced.

Between 1 January 2014 and 31 July 2015, a total of 181 approved TJP placements were commenced under either JSA, jobactive, or DES. This represents a take-up rate of 11.4 per cent, falling well short of the 80 percent target rate specified by KPI 1(a)[18] (Table A.3).

Overall, there were 363 TJP commencements during the two year operation of the pilot (from 1 January 2014 to 31 December 2015): 155 under JSA, 193 under jobactive and 15 under DES. While this still falls short of the 80 per cent target (being 18.2 per cent of the 2,000 allocated placements) there was a significant increase in the placement rate during the six months of jobactive operation (from 1 July 2015) in comparison to the 18 month JSA period.[19] This increase may reflect the change in choice of wage subsidy programs available to providers under jobactive in comparison with JSA (see Section 2.2).

Figure 3.1 shows the cumulative monthly take-up rate of the TJP and Restart under JSA/jobactive in Tasmania between 1 January 2014 and 31 July 2015, as a proportion of the eligible JSA caseload (Table A.4).[20] When Restart was introduced on 1 July 2014, there were 25,358 job seekers in the Tasmanian JSA caseload. Of these, 57.4 per cent (14,548 job seekers) were eligible for the TJP, whilst only 18.2 per cent (4,603 job seekers) were eligible for Restart. Taken as a proportion of the total job seekers eligible for each program, take-up of the TJP was lower and slower compared to Restart in Tasmania. This may suggest relatively less demand for, or awareness of, the TJP amongst employers, or less promotion of the TJP by providers.

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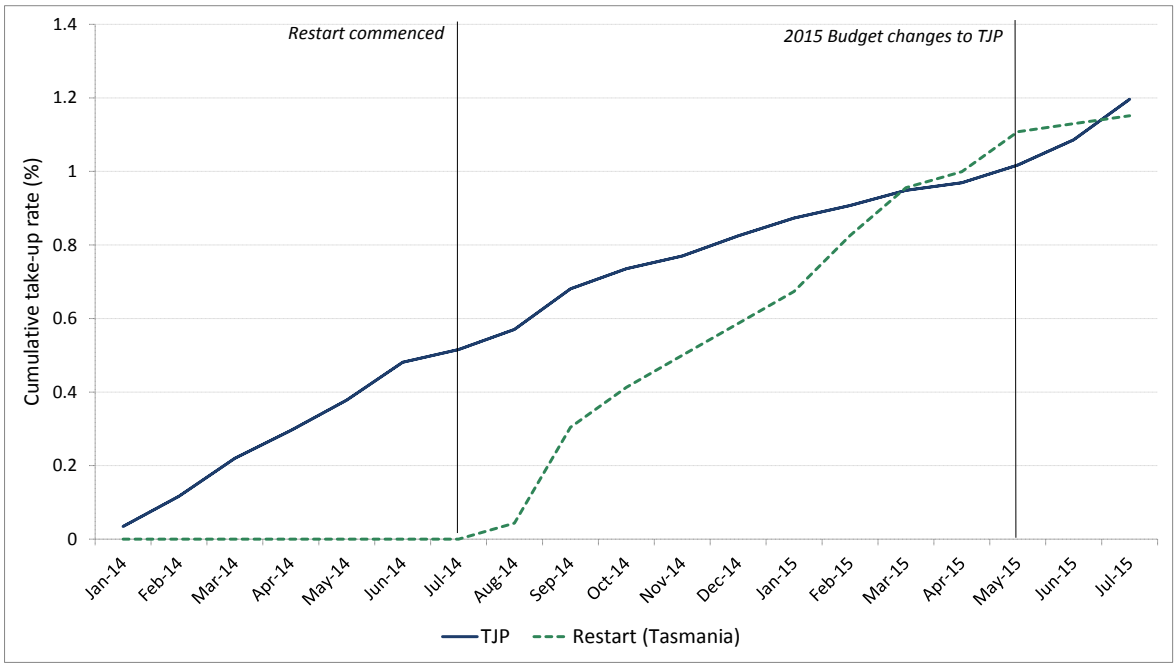
[18] For the purposes of this evaluation, and assuming an even distribution of allocated placements each month, this measure has been pro-rated to 1,583.3 allocated placements by 31 July 2015.

[19] These results are current as at 29 March 2016. While the TJP program was closed to new applicants from 31 December 2015 there is a slight chance that some commencements of placements previously approved have not yet been reported to the Department.

[20] This report does not include a number of Restart-eligible job seekers not on the JSA caseload (i.e. mature-age job seekers who are not on activity-tested payments).

Take-up from January 2014 to September 2014 averaged 11.3 placements per month. After September 2014, take-up was more subdued (6.4 placements per month on average) until program conditions were relaxed in May 2015, after which take-up improved to pre-September 2014 levels (averaging 14.0 placements per month for June and July 2015). The implication that revisions to the TJP helped to improve its take-up is further supported by an examination of take-up for Restart in Tasmania, which did not increase after May 2015.

Figure 3.1: Cumulative monthly take-up of TJP and Restart (in Tasmania only) under JSA/jobactive relative to the size of the eligible caseload (as at July 2014), 2014-2015



Note: Refer to Appendix A, Table A.4.

Source: Department of Employment administrative data.

3.1.2. Placement characteristics

There were 181 TJP-subsidised placements that commenced by 31 July 2015. Of these 152 were made under JSA, seven were made under DES and a further 22 placements were made under the current employment service model, *jobactive*, which replaced the JSA model on 1 July 2015. The following analysis refers only to the 174 TJP placements commenced under either JSA or jobactive by 31 July 2015.

Location

The majority of TJP placements (58.1 per cent) were taken up by job seekers in metropolitan or inner regional areas. TJP placements were spread evenly across three of the four labour force regions (Figure 3.2). Most placements (58.4 per cent) were from regions where the

unemployment rate exceeded 8.6 per cent [21] – likely because the regions with higher unemployment tend to contain more MTU and LTU job seekers who may be eligible for the TJP subsidy.[22] Approximately 34.5 per cent were from Launceston and North East, which contains a higher proportion of regions with the highest unemployment rates in Tasmania, and a relatively low average number of job vacancies (929.1)[23]. A further 32.8 per cent were from West and North West, and 25.9 per cent from Greater Hobart. The South East region accounted for the lowest proportion of placements (6.9 per cent), but it also provides the lowest proportion of jobs of all four Tasmanian labour force regions (Australian Bureau of Statistics, 2015d). The Greater Hobart and South East regions combined accounted for the lowest number of placements, despite having the greatest average number of job vacancies (920.0)[24] of all the labour force regions (Department of Employment, 2015a). By contrast, Launceston and North East accounted for the highest number of placements, despite having a comparatively low average number of job vacancies (335.7).

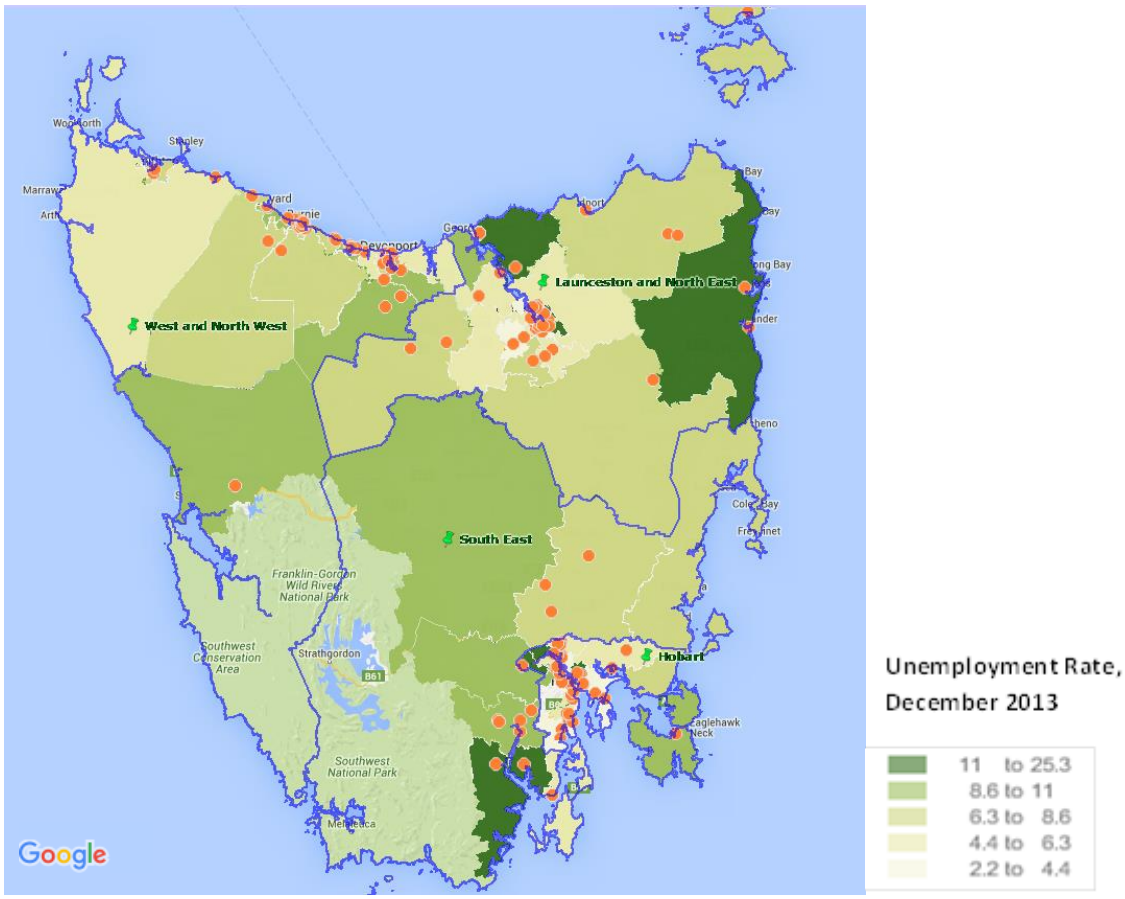
[21] Percentage of total TJP placements by regional unemployment (UE) rate range: 6.0 per cent (2.2 - 4.4 per cent UE), 17.5 per cent (4.4 - 6.3 per cent UE), 18.1 (6.3 - 8.6 per cent UE), 22.3 per cent (8.6 - 11 per cent UE), 36.1 per cent (11 - 25.3 per cent UE).

[22] Department of Employment administrative data.

[23] Average online job vacancy advertisements in the year to October 2015.

[24] Average online job vacancy advertisements in the year to October 2015.

Figure 3.2: TJP placements by labour force region, 1 January 2014 to 31 July 2015



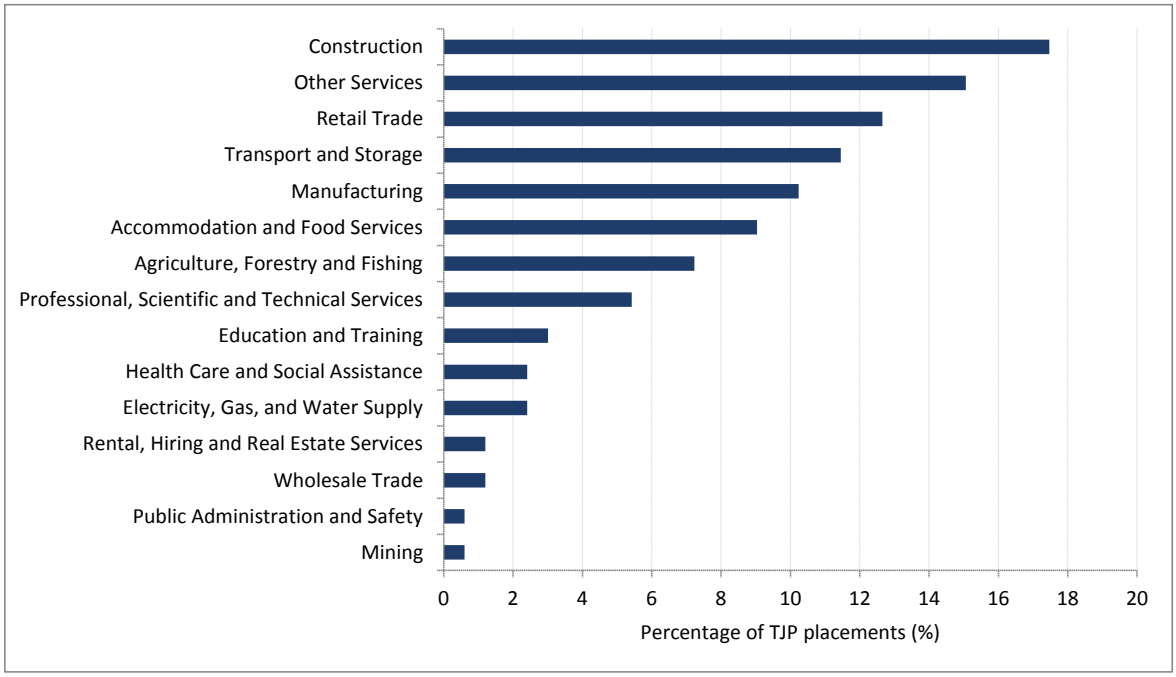
Note: Excludes seven TJP placements for DES job seekers.

Sources: Department of Employment administrative data; DEEWR Employment Statistics, DEEWR Unemployment Rate, December 2013.

Industries and skill level

The majority of TJP placements were in low (43.6 per cent) or moderately (47.7 per cent) skilled occupations. This is consistent with the high proportion of lesser-skilled jobs available in Tasmania (Department of Employment, 2015a). Most placements were in the largest employing and growth industries in Tasmania, such as Construction, Retail Trade, and Accommodation and Food Services (Figure 3.3). There was a trend for TJP placements in predominantly male dominated industries (Australian Bureau of Statistics, 2015d). Though Retail Trade and Accommodation and Food Services are among those industries with the lowest proportions of full-time positions and male employees, they both have large proportions of young (15-24 years) employees comparative to other industries (Australian Bureau of Statistics, 2015d). The high proportion of males and youth in TJP commencements appears to be more a reflection of the typical employee characteristics within Tasmania's largest employing industries than a selection bias of the TJP program.

Figure 3.3: TJP placements by industry, 1 January 2014 to 31 July 2015



Notes:

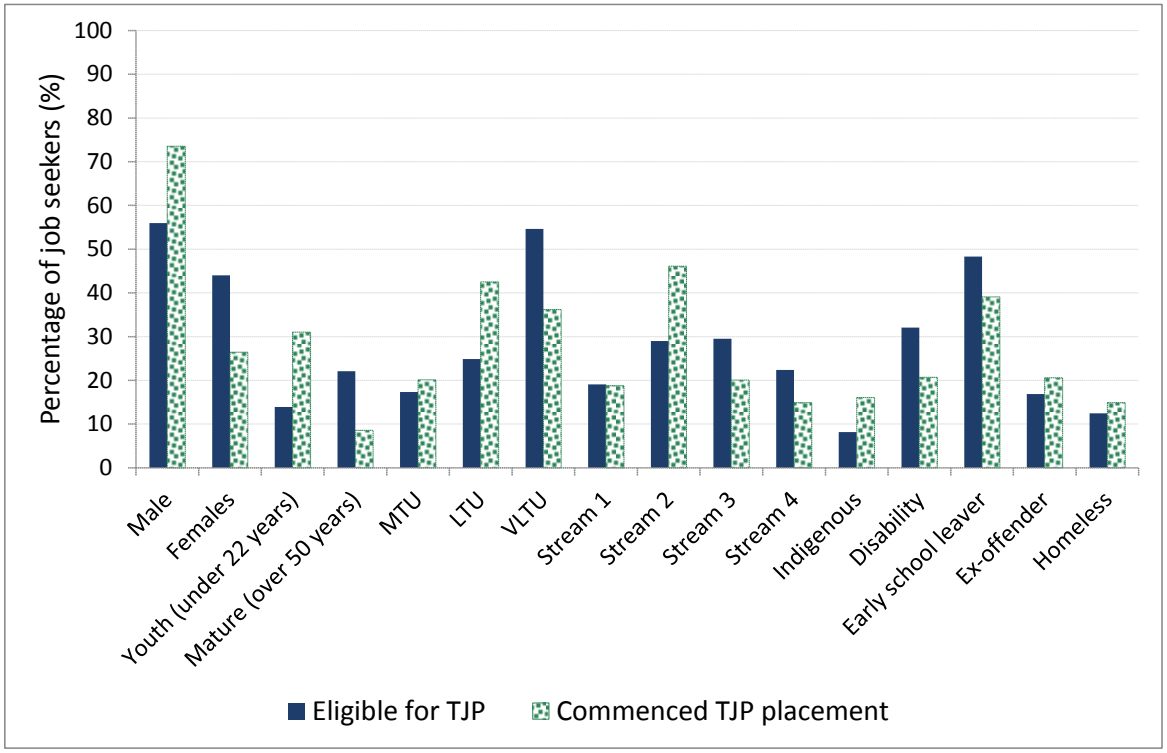
1. Excludes seven TJP placements for DES job seekers.
2. Refer to Appendix A, Table A.5.

Source: Department of Employment administrative data.

Job seeker characteristics

Figure 3.4 compares the characteristics of job seekers who commenced a TJP-subsidised placement to all TJP-eligible job seekers on the JSA caseload at 1 January 2014 (Table A.6).

Figure 3.4: Comparison of job seekers who commenced a TJP placement under JSA or jobactive compared to the JSA Tasmanian caseload of TJP-eligible job seekers



Notes:

1. Stream percentage figures based on JSA TJP placements only.
2. Caseload as at 1 January 2014.
3. Refer to Appendix A, Table A.6.

Source: Department of Employment administrative data.

Job seekers who commenced a TJP placement tended to be those with the fewest barriers to employment of the eligible cohort. For instance, they were less likely to be in the more disadvantaged JSCI Streams 3 and 4, and more likely to be in the more 'work-ready' JSCI Streams 1 and 2. They were also less likely to have recognised employment barriers such as disability, low education levels, or being mature age. Furthermore, they were less likely to be VLTU than either MTU or LTU, signifying that length of unemployment remained an important factor in determining who was able to secure a placement. This may reflect selection of the 'best candidates' by providers or employers, in line with findings from previous research (Graversen & Jensen, 2006).

Conversely, youth and male job seekers were highly represented in the take-up, suggesting that they particularly benefitted from the program. While this is consistent with their strong representation in the Tasmanian JSA caseload, it also appears to reflect the types of industries that tended to use the TJP. The relatively strong take-up of the TJP by these groups was a positive outcome, given that Tasmania was the state with the highest youth (i.e. 15-24 years) unemployment rate (17.1 per cent versus 13.5 per cent nationally), and the higher proportion of males in the Tasmanian JSA caseload than the national JSA caseload (Australian Bureau of Statistics, 2015c). International evidence suggests, however, that youth and males tend to have

the poorest employment outcomes when they participate in wage subsidy programs (Betcherman et al., 2000; Calmfors, 1994; Heckmann et al., 1999; Martin & Grubb, 2001).

Combination with other wage subsidies

Only six of the 174 JSA TJP placements analysed were commenced in conjunction with Restart, while 60 JSA TJP placements were commenced in conjunction with an EPF wage subsidy. The value of the EPF subsidies ranged from $1,000 to $13,550, with the average amount being $3,209. Compared to TJP placements obtained without the EPF subsidy, TJP placements with the EPF subsidy were proportionally more likely to be in the larger employing industries in Tasmania, including Agriculture, Forestry and Fishing, Construction, Retail Trade, Education and Training, and Health Care and Social Assistance. They were less likely, however, to be in Accommodation and Food Services and Professional, Scientific and Technical Services. There were no differences in job skill level for TJP placements with, compared with not, having the EPF subsidy (Table A.7.)

3.2. Factors affecting take-up of the program

3.2.1. Tasmanian labour market conditions

Previous evidence suggests that take-up of wage subsidies is highly dependent on labour market conditions: while wage subisidies appear to be most beneficial in the early phase of a recovery when job creation rates rise (Quiggin, 2001), attempts to generate large numbers of wage subsidy placements during periods of recession (where there is insufficient labour demand) have often failed (Cook, 2008; O'Neil & Neal, 2008; Stretton & Chapman, 1990). Contrary to previous evidence, take-up rates of both the TJP (1.2 per cent) and Restart (1.2 per cent) under JSA in Tasmania (as a proportion of the eligible JSA caseload) were marginally higher than take-up of Restart under JSA/jobactive in all other states combined (1.0 per cent),[25] despite relatively higher unemployment and lower labour demand in Tasmania. Nevertheless, strong competition for limited employment opportunities is likely to have played a role in limiting take-up of the TJP.

3.2.2. Program awareness

Awareness of the TJP goes to the issue of 'access', which is a component of effectiveness. Employer awareness was particularly low; for instance, more than 12 months after the introduction of the TJP, only 27.3 per cent of the 491 Tasmanian employers surveyed reported having heard of the program. By comparison, 48.1 per cent of Tasmanian employers reported having heard of the Restart wage subsidy, despite it having commenced six months after the TJP.[26] This lower awareness of, and therefore access to, the TJP is likely to have contributed to the low take-up by employers.

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[25] The take-up rate of 1.0 per cent was calculated based on 1,864 Restart placements commenced by 31 July 2015 and an eligible caseload of 175,906 as of 1 July 2014. Placements and caseloads under both JSA and DES were considered.

[26] Department of Employment, 2015 Survey of Employers.

In order to promote community awareness of the TJP, the Department of Employment implemented a media and communications strategy in Tasmania. The advertising campaign commenced in April 2014 with a targeted advertising approach: print advertising in metropolitan, regional and community newspapers from 6 April 2014 to 11 May 2014, and print and radio advertising from 12 June 2014 to 5 July 2014. This was supported by two mail-outs from the former Minister for Employment, Senator the Hon. Eric Abetz, to Tasmanian employers, on 6 March and 13 June 2014. Over 8,000 letters were sent in each mail-out. Social media and editorial content was developed in April 2014 and subsequently posted on websites including Facebook, Twitter, business.gov.au, business.tas.gov.au, aus.gov.au, and stategrowth.tas.gov.au. Other organisations that used the content included Group Training, Local Government Association, Launceston Council, Northern Tasmanian Development, Flinders Council, and Master Painters. The content was also provided via email to a number of Tasmanian industry groups, employers, and employer groups.

A very modest, low budget communication campaign which included a small amount of newspaper and radio advertising appears to have had minimal effect on raising employer awareness of wage subsidy programs, with only one per cent of EPF wage subsidy recipients and eight per cent of Restart recipients reporting that they had heard about the relevant subsidy program through media and advertising.[27] Several Tasmanian employers interviewed thought that the government needed to explain the wage subsidy programs better and make information about assistance to employers more easily available; for instance, through emails to employers, presentations to employer organisations, and printed booklets.[28]

Providers report that they play an integral role in driving the up-take of wage subsidy programs by promoting them to both employers and job seekers, who they believe have relatively low program awareness.[29] Consistent with this belief, the majority of surveyed employers (approximately 60-67 per cent) reported hearing about other JSA wage subsidies (i.e. EPF and Restart) from providers, with few (11-15 per cent) hearing about them from job seekers.[30] Moreover, most (82.2 per cent) employers surveyed who had received or expected to receive a wage subsidy stated that they had been offered the subsidy by a service provider, while only 13.7 per cent had approached a service provider to request a subsidy.[31] Although almost two-thirds of the TJP placements (65.7 per cent) that commenced under JSA had been brokered by a provider, this proportion was somewhat lower than other wage subsidy programs. Given that all Tasmanian providers surveyed stated that they were aware of the TJP[32], and TJP recipients tended to be more 'job-ready' than others in the eligible cohort, it is possible that more limited program

27 Department of Employment, 2015 Wage Subsidy survey.
28 Department of Employment, 2015 Survey of Employers.
29 Department of Employment, 2015 Survey of Employment Service Providers.
30 Department of Employment, 2015 Survey of Employers.
31 Department of Employment, 2015 Survey of Employers.
32 Department of Employment, 2015 Survey of Employment Service Providers.

promotion and targeting practice (i.e. selection of the 'best candidates') by providers contributed to the low program take-up rate.

> 'Not many people know about [incentives and programs] unless you work with a JSA or [have] an ongoing relationship with the JSA, then they'll know about it because we talk about it – but a new employer, no'.
>
> (Site manager, medium urban provider site)
>
> **Source:** Department of Employment, 2015 Survey of Employment Service Providers.

Low promotion, awareness, and take-up of the TJP could also reflect typical recruitment practices in Tasmania. A survey of employers' recruitment experiences indicates that, outside of Hobart, more than half (54 per cent) of employers only used informal methods to fill their vacancies, such as word of mouth or local networks, which is greater than in other regions across Australia (44 per cent).[33] [34] Anecdotally, providers have reported that Tasmanian employers tend not to advertise their vacancies as they attract too many enquiries, which increases their administrative workload (Department of Employment, 2014). Departmental qualititative research found that Tasmanian employers prefer informal recruitment methods rather than providers (who are the primary promotors of wage subsidy programs), which may have contributed to low employer awareness and subsequent take-up of the TJP. [35]

3.2.3. Employer attitudes

Low TJP take-up may also reflect the low relative importance of wage subsidies in employers' hiring decisions, with most employers reporting that wage subsidies would not change their decision to hire someone, or who they hired, but that assistance could help or 'was a bonus'.[36] [37] [38] Only 27 per cent of the 109 Tasmanian employers surveyed who had recruited in the previous 12 months (note that the TJP had been in operation during this entire period) had heard of the TJP (Figure 3.5). This compares to awareness of wage subsidies more generally of 71%.[39] Of the employers who had heard of the program, 12 per cent had employed a job seeker through it. Of those who had employed a job seeker through the TJP, over half (63 per cent) reported that it had not influenced their decision to hire the job seeker at all, with some stating

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33 Department of Employment. 2015 Survey of Employers' Recruitment Experiences, Canberra.

34 In May 2014, 427 employers across Tasmania (excluding Hobart) were surveyed as part of the *Survey of Employers' Recruitment Experiences*. A further 249 employers in Greater Hobart were surveyed in July 2014 as part of a *Survey of Employers' Recruitment Experiences in Capital Cities*. All regions (excluding capital cities) were surveyed in the 12 months to December 2014.

35 Department of Employment, 2015 Survey of Employment Service Providers.

36 Department of Employment, 2015 Survey of Employers.

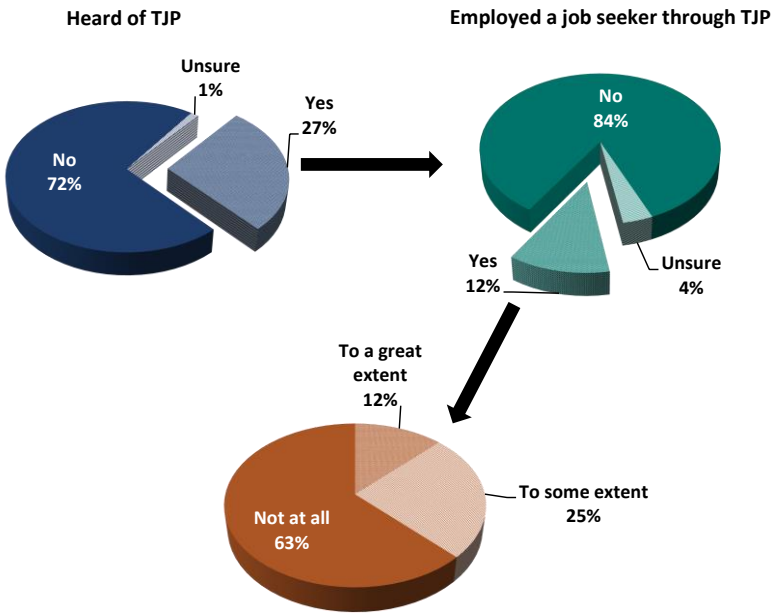
37 DEEWR, 2011. Employment Incentives survey.

38 Note that 76.5 per cent of employers surveyed in 2011 reported that they would have hired the same job seeker even if they had not received the wage subsidy (i.e. *deadweight* effect).

39 Department of Employment, 2015 Survey of Employers.

that they had either already decided to employ their particular candidate before learning of the wage subsidy, or that the wage subsidy did not change their decision to hire as the job seeker was suitable for their needs anyway.[40]

Figure 3.5: Self-reported awareness, take-up, and influence of the TJP by Tasmanian employers who had recruited in the previous 12 months



Source: Department of Employment, 2015 Employers Survey.

The implication that the TJP did not significantly influence employers' hiring decisions suggests a level of deadweight loss.[41] [42] Both low program take-up and some deadweight loss are consistent with the tendency for employers to prioritise job seekers' level of job-readiness (as indicated by their commitment to and interest in the job, reliability, work ethic, and openness to learning and developing their skills) above financial incentive considerations.[43]

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40 Department of Employment, 2015 Survey of Employers.

41 Estimates of pure deadweight for EPF and Restart wage subsidies are 28.3 per cent and 43.6 per cent respectively. Given the limited TJP data it is not feasible to estimate deadweight for the TJP subsidy.

42 Department of Employment, 2015 Wage Subsidy survey.

43 Borland, 2014, Department of Employment, 2015, Survey of Employers' Recruitment Experiences and Department of Employment, 2015 Survey of Employment Service Providers.

"For me, it's still got to be, first and foremost, to find the skill set. If it all can fall into place, fabulous. If I had a choice between two people and there was some government funding […] if they both fit the bill, you'd take the job seeker that could get some funding. That's just a matter, to me, of financial logic. But if the question is, you know, is that an incentive to go and put someone on? On its own, probably not".

(Employer, JSA user, white collar, small business, Hobart)

Source: Department of Employment, 2015 Survey of Employers.

In addition, Tasmanian providers noted that training was increasingly expected by employers and, in many cases, specific qualifications were a condition of employment, even for jobs that were traditionally low-skilled.[44] Within a competitive labour market with more applicants per job vacancy, employer expectations of job seekers tend to be greater (Welters & Muysken, 2006), placing LTU job seekers with barriers to employment at even further disadvantage. As with employers' prioritisation of job seekers who are job-ready, wage subsidies are unlikely to offset employers' preference for job seekers who are job ready and have the relevant skills or training.

"We are trying to get employers to come to us and they can be picky now, because it's not like "Oh, my God, I can't fill this position because everyone's got jobs". They can fill this position and they can wait, if they need to, because they will have a position open and they might have 2,000 applications compared to 200 applications".

(Case manager, medium regional provider site)

Source: Department of Employment, 2015 Survey of Employment Service Providers.

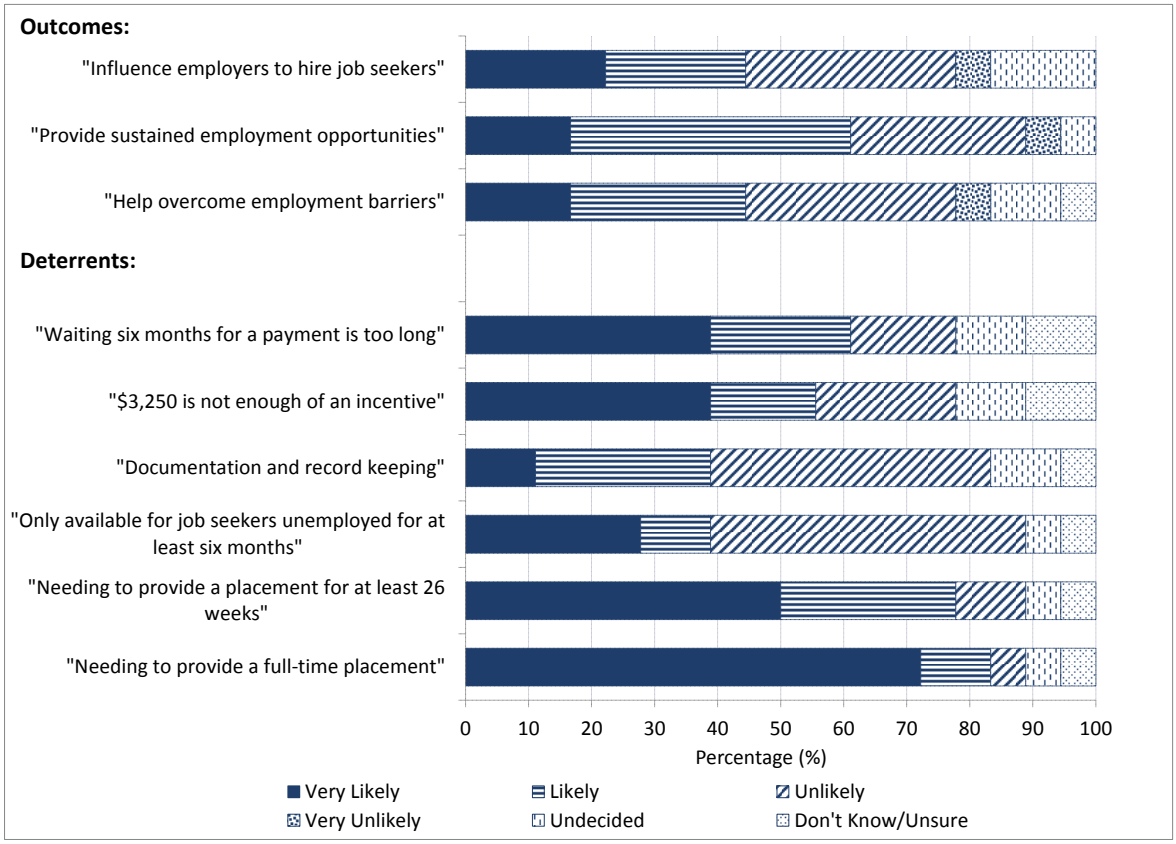
3.2.4. Program design

Surveys of providers and employers have identified some design aspects of the TJP which appear to have affected program take-up.

Tasmanian providers had mixed views regarding the usefulness of the TJP (Figure 3.6). While more than half (61.1 per cent) agreed that the program would provide sustained employment opportunities, less than half thought that the subsidy would influence employers to hire job seekers (44.4 per cent) or help to overcome employment barriers (44.5 per cent). When asked to provide opinions on reasons for the low take-up rate, about three-quarters (75-85 per cent) stated that the biggest deterrents to employers were that eligible placements had to be full-time and at least 26 weeks in duration. A smaller number (55-65 per cent) stated that the low subsidy payment amount, and having to wait six months for a payment, were also deterrents. On the other hand, the length of the job seeker's unemployment and documentation and record keeping requirements were not identified as significant deterrents by most providers.

[44] Department of Employment, 2015 Survey of Employment Service Providers.

Figure 3.6: Provider attitudes towards the potential outcomes and deterrents to take-up of the TJP



Note: Refer to Appendix A, Table A.8.

Source: Department of Employment, 2015 Survey of Employment Service Providers, Canberra.

Full-time placement requirement

Figure 3.1 suggests that the May 2015 changes to the program lead to an increase in the number of placements taken up. This is consistent with the view of most providers that the full-time placement requirement was a major deterrent to program take-up. Providers also reported concerns that the full-time placement requirement would disadvantage job seekers with part-time activity requirements, and those who could be off income support despite working less than full-time hours (National Employment Services Association, 2014). The proportionately higher uptake of the Restart wage subsidy in Tasmania, which has been available for part-time placements since its inception, also suggests that the full-time requirement was a deterrent for the TJP. For instance, of the Restart placements commenced in Tasmania prior to 31 July 2015, 48 per cent were part-time, despite only one of these placements being for a job seeker with reduced work capacity. The high take-up of Restart for part-time placements, therefore, appears to be less to do with age and reduced work capacity, and more to do with the relaxed eligibility criteria being more realistic for employer and employee needs.

The full-time placement requirement may also have been too restrictive for the Tasmanian labour market, which has a higher proportion of part-time employment than other Australian states (see Figure 2.2). Providers felt that employers were often unable to accommodate the full-time hours requirement or did not have suitable vacancies (National Employment Services Association, 2014). This opinion was corroborated by many employers who were interviewed, particularly

those in the hospitality and retail sectors, who felt that they could not commit to a certain number of hours per week for a new employee or that it would be unfair to their existing employees to do so (Department of Employment, 2012).

> "I'm not sure that the uptake [of the Tasmanian Jobs Programme] has been very high. I think that's probably because in their current economy, in Tasmania, we have a lot of part-time and casual work because businesses/employers seem to be a bit nervous before committing to full-time employment".
>
> (Site manager, large regional provider site)
>
> **Source:** Department of Employment, 2015 Survey of Employment Service Providers.

However, some factors suggest that the effect of the full-time placement requirement on TJP take-up may have been overestimated: for instance, the number of part-time TJP placements commenced since the program was revised in May 2015 has been relatively modest, and a large proportion of TJP placements have been in the retail and hospitality industries, industries that tend to have fewer full-time positions on offer than other industries (Australian Bureau of Statistics, 2015d).

Amount of subsidy payment

The observed increase in take-up of the TJP after May 2015 (Figure 3.1) may have been more greatly influenced by the increased payment amount of $6,500 offered for full-time placements than the relaxation of the full-time placement requirement. This would imply that the lower payment amount offered by the TJP was the more effective deterrent to program take-up.

This inference is consistent with the view of most providers that the original payment amount of $3,250 was too low. It is likely that this led to employers rejecting, or providers not promoting the program. Employers reported that the amount of the TJP subsidy was insufficient, given the significant commitment (in time and resources) and cost to their business in hiring a job seeker.[45] Providers also felt that employers were unlikely to take up the TJP as they were already familiar with alternative subsidies available that offered more flexibility and financial incentive (National Employment Services Association, 2014).

[45] Department of Employment, 2015 Survey of Employers.

26 week payment schedule

Most providers cited the requirement to place a job seeker for a minimum of 26 weeks as having a deterrent effect. Consistent with this view, the 26 week payment schedule was also cited by employers as a deterrent to program take-up with some expressing concern at being locked into employing a job seeker for a set period of time, given that many employment opportunities in Tasmania tend to be seasonal and casual.[46]

While small business employers were more likely than large businesses to have used the TJP (13.3 per cent versus 9.8 per cent), they were less likely to agree that the payment amount (73.4 per cent versus 76.9 per cent) or 26 week payment schedule (75.4 per cent versus 78.5 per cent) were 'about right'. Employers felt that payments should be made earlier than 26 weeks given the additional upfront costs associated with recruitment and additional support that subsidised employees are likely to require. While avoidance of pro-rata payments was introduced to encourage more sustained placements and better matching between jobs and job seekers, employers believed this placed undue risk on them for employing a subsidised job seeker.[47]

By contrast, initial take-up of the Restart wage subsidy exceeded that of the TJP (as a proportion of the total number of eligible job seekers), despite requiring placements to be sustained for 24 months to receive the full amount available, and not offering any payment until after the first six months. This would suggest that the deterrent effects of the 26 week requirement and payment schedule had possibly been overstated, and that the incentive amount on offer was a major driving force of wage subsidy uptake.

Employer attitudes towards the target population

International literature suggests that, for some employers, the offer of a wage subsidy can act as a disincentive to hire LTU job seekers and reinforce negative perceptions of their levels of productivity, motivation, and job readiness (Blundell et al., 2004; DEETYA, 1996; Martin & Grubb, 2001; Webster, 1998).

Employer survey responses suggest that unemployment length was a deterrent to TJP take-up. Their stated concerns about hiring LTU job seekers included that they may have lost motivation, might have lost physical condition, or have poor basic skills such as in communicating with people. A large proportion of Tasmanian employers (41.7 per cent) stated they would not consider hiring someone who was LTU, even if offered a wage subsidy. Compared to employers from other states, Tasmanian employers were also less likely to report they would consider hiring someone who was LTU with a wage subsidy (16.7 per cent vs 17.5 per cent).[48] The reluctance to hire LTU job seekers was especially pronounced among Tasmanian small businesses, consistent with evidence that small businesses are more hesistant to recruit LTU job seekers than large businesses because of the higher costs involved (Welters & Muysken, 2006). That job seekers who

[46] Department of Employment, 2015 Survey of Employers.

[47] Department of Employment, 2015 Survey of Employers.

[48] Department of Employment, 2015 Survey of Employers.

were MTU or LTU were, proportionally, more likely to commence a TJP placement than VLTU job seekers also supports the research which suggests that longer periods of unemployment are a deterrent to employers.

As the more readily employable individuals tend to leave employment services sooner, the more disadvantaged make up a larger proportion of the LTU (Calmfors, 1994; Jackman & Layard, 1991; van den Berg & van Ours, 1994). TJP-eligible job seekers tended to have more barriers to employment than ineligible job seekers (e.g. those unemployed for less than six months) (Table 3.1). For instance, eligible job seekers were more likely to be early school leavers , homeless, Indigenous, ex-offenders, and to have disability. It is possible that the cumulative effect of the employment barriers held by the LTU have made employers more reluctant to employ TJP-eligible job seekers. This would also contribute to the low program take-up rate – however, it is in line with the objectives of wage subsidies to help disadvantaged job seekers access the labour market and minimise deadweight.

Table 3.1: Characteristics of job seekers on the JSA Tasmanian caseload eligible for the TJP compared with those ineligible for the TJP, as at 1 January 2014 (per cent)

Characteristic	TJP-eligible	TJP-ineligible
Early school leaver: Year 12 or equivalent not completed	48.3	37.1
Indigenous	8.2	7.7
Ex-offender	16.9	10.0
Disability	32.1	14.7
Homeless	12.5	8.1
Total number of job seekers	15,992	9,629

Source: Department of Employment administrative data.

4. Outcomes achieved

4.1. Employment outcomes

Of the 146 TJP placements commenced by 30 April 2015[49],76.7 per cent achieved a 13 week outcome. The target proportion of 60 per cent (KPI 2a) was therefore achieved. Of the 131 TJP placements commenced by 31 January 2015, 64.1 per cent achieved a 26 week outcome and 50.4 per cent achieved an incentive payment. The target proportions of 45 per cent was therefore achieved for both of these outcomes (KPIs 1b and 2b). Despite the low take-up rate, the TJP resulted in sustained employment outcomes for those job seekers who participated in the program. Furthermore, the conversion rates achieved by the TJP outperformed those of the Restart wage subsidy in Tasmania over the same period (see Table 4.1).

Table 4.1: Conversion rates achieved by the TJP compared with Restart in Tasmania (per cent), 1 January 2014 to 31 July 2015

Wage subsidy program	13 week outcome	26 week outcome	Incentive payment
TJP	76.7	64.1	50.4
Restart (Tasmania)	74.6	63.0	45.7
Difference (percentage points)	-2.1	-1.1	-4.7

Source: Department of Employment administrative data.

Compared with those who did not achieve a 26 week outcome, TJP-placed JSA job seekers who did achieve a 26 week outcome were proportionally more likely to:

- be in Stream 2 (57.0 per cent vs 22.9 per cent)
- be in moderately or highly skilled jobs (62.0 per cent vs 45.7 per cent)
- be youth (38.0 per cent vs 22.9 per cent)
- be Early School Leavers (43.0 per cent vs 39.6 per cent)
- have disability (24.1 per cent vs 12.5 per cent) (Table A.9).

The high employment outcome rates associated with the TJP are consistent with international evidence showing that wage subsidies can result in sustainable employment (Neubaumer, 2010; O'Neil & Neal, 2008; Richardson, 1998; Wolff & Stephan, 2013), and evidence from other JSA wage subsidies showing that subsidised jobs are more likely to be sustained compared to unsubsidised jobs (Department of Employment, 2016). The results are also in line with the expectations of providers, with most surveyed agreeing that the TJP would provide sustained employment opportunities.[50] On the other hand, these outcomes are also highly consistent with

[49] This date is selected as it is 13 weeks prior to the last date (31 July 2015) for which TJP outcome data was available at the time of this analysis.

[50] Department of Employment, 2015 Survey of Employment Service Providers.

selection of the 'best candidates' with the fewest barriers to employment by providers or employers, as illustrated in Figure 3.4.

4.2. Reliance on income support

Income support outcomes of the TJP were evaluated using two different measures:

- Outcomes were measured against KPI 3, which specified a target for the proportion of job seekers who achieved the TJP incentive payment being off income support nine months (or longer) after commencing their placement.
- The income support status of eligible job seekers who had commenced a TJP placement was compared to that of other similar job seekers.

Note that, due to the low numbers and issues around data availability, income support outcomes were not measured for placements commenced under DES.

Of the 52 JSA TJP placements that commenced by 31 October 2014 (all full-time) and received the incentive payment, 71.2 per cent were off income support nine months later. This shows that a high proportion of TJP recipients were able to transition off income support, but falls just short of the 80 per cent target.

To assess the net impact of the TJP on income support outcomes, the income support status of job seekers who had commenced a TJP placement by 31 October 2014 was assessed against a control group of comparable job seekers. The control group comprised Tasmanian job seekers who had not received a TJP-subsidised placement, but were on the same income support types as TJP-eligible job seekers (i.e. Newstart Allowance, Youth Allowance (Other), or Parenting Payment) and had commenced a full-time placement during the same time period (1 January 2014 - 31 October 2014).

Table 4.2: Income support status rates and Average Marginal Effect (AME) estimates of the predicted probability of income support status nine months after commencing a full-time job placement in Tasmania, TJP compared with non-TJP subsidised placements made between 1 January 2014 and 31 October 2014

	Off income support	Partial rate income support	Full rate income support
Income support status for those ***WITH*** a TJP subsidy (observed rates - per cent)	61.2	5.9	32.9
Income support status for those ***WITHOUT*** a TJP subsidy (observed rates - per cent)	61.0	12.7	26.3
AME estimate (percentage point)	13.0	-8.6	-4.4

Notes:

1. Includes all TJP JSA placements between 1 January 2014 and 31 October 2014, whether or not the incentive payment was paid.
2. Only full time job placements considered.
3. Only those on NSA, YA(O) or Parenting Payment included in this analysis.
4. AMEs represent the average marginal effect of the predicted probability that a job seeker will have a particular income support status, holding other explanatory variables constant.

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

After controlling for relevant job seeker characteristics and placement characteristics, individuals who commenced a TJP placement were significantly more likely to be off income support (13 percentage point AME) nine months later, compared to those with non-TJP supported full-time placements (Table 4.2 and Table A.10).

Commencing a TJP placement (even if it was not sustained) was associated with an increased probability of being off income support nine months later. This is consistent with evidence for other JSA wage subsidies (i.e. EPF and Wage Connect) where job seekers who commenced subsidised placements were more likely to be off income support compared to those with non-subsidised placements, after controlling for job seeker characteristics (Department of Employment, 2016). Internationally, wage subsidy programs are often associated with a reduced reliance on income support compared to all other ALMPs (Borland, 2014; Gerfin et al., 2005; Jaenichen & Stephan, 2011; Katz, 1996; Kluve, 2010; O'Connell, 2002; Sianesi, 2001; Stromback et al., 1999).

4.3. Proportion of job seekers unemployed six months or longer

As one of the major aims of the TJP was to help Tasmanian job seekers who were (or were at risk of being) LTU find sustained employment, the wider impact of the TJP on the number of MTU, LTU and VLTU job seekers in Tasmania is considered. It is noted, however, that the impact of individual programs on overall employment levels or income support caseloads is usually fairly modest, given that most programs are highly targeted, investment of public resources is limited

and program durations short (Card, Kluve, & Weber, 2015). This is even more likely to be the case when considering the TJP, which appears to have had little impact on unemployment given that:

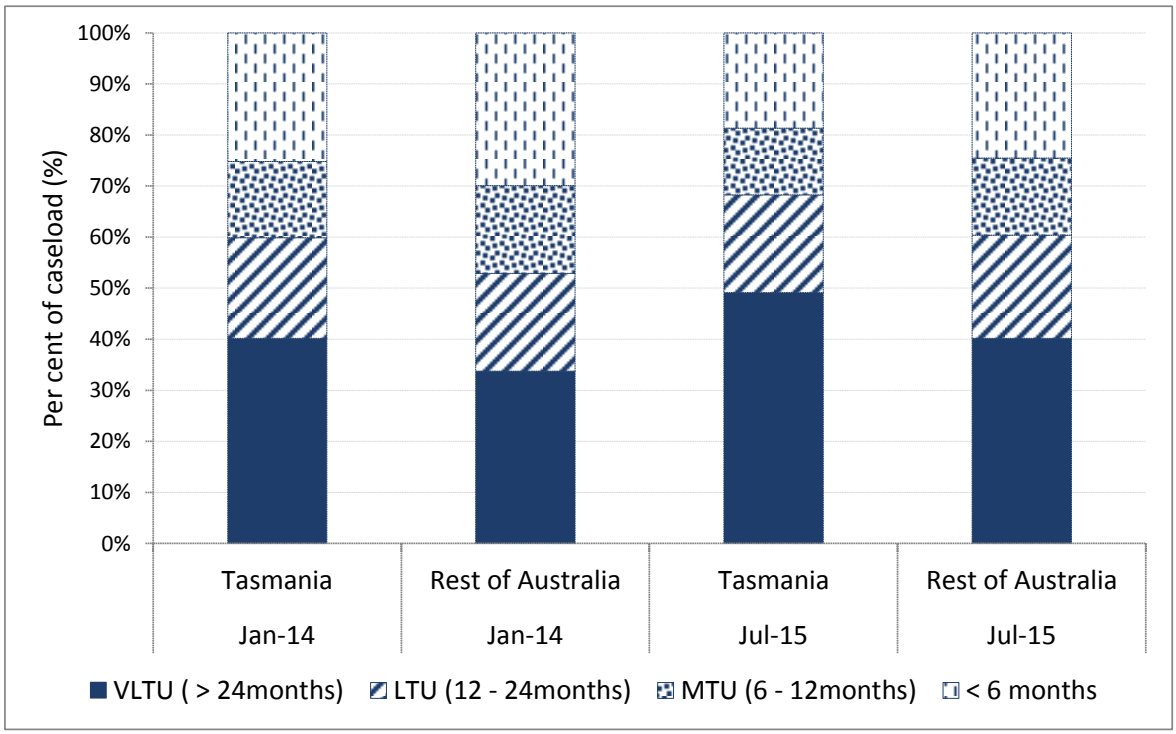
- The take-up rate was very low, with only 11.4 per cent of the 2000 allocated placements commenced, and only 1.2 per cent of the eligible caseload commencing a TJP placement.
- Over half (66.7 per cent) of employers who had employed a job seeker through the TJP reported that it had not influenced their decision to hire the job seeker at all, suggesting a high level of deadweight loss
- Job seekers who received the TJP were more likely to be MTU or LTU than VLTU, indicating that there were issues with targeting the subsidy to job seekers most in need.

Changes in the number and proportion of job seekers on the JSA caseload unemployed for six months or longer from 1 January 2014 to 1 July 2015 were assessed. Due to issues around DES data availability, only the JSA/jobactive caseloads were considered.

The total *number* of job seekers unemployed for six months or longer was found to have decreased over the relevant period in Tasmania, from 19,162 to 18,455, due to a decrease in the total Tasmanian JSA caseload (from 25,621 to 22,640).On the other hand, the *proportion* of job seekers unemployed for six months or longer actually increased over the relevant period in Tasmania, from 75.1 per cent to 81.6 per cent. This increase was in line with trends seen in the rest of Australia, where the proportion of job seekers unemployed for six months or longer in the national JSA caseload increased from 70.1 per cent to 75.5 per cent (Figure 4.1) (Table A.11).

More specifically, the greatest increase was seen in the proportion of VLTU job seekers, both in Tasmania and the rest of Australia. By contrast, the proportion of MTU job seekers decreased. This implies that those who are (or are at risk of being) VLTU are failing to leave employment services. As of 1 July 2015, almost half (48.7 per cent) of the JSA caseload in Tasmania was VLTU, marking this as a significant problem for the state.

Figure 4.1: Percentage of JSA caseload by length of unemployment for Tasmania compared to the rest of Australia, 1 January 2014 and 1 July 2015 (per cent)



Note: See Appendix A, Table A.11.

Source: Department of Employment administrative data.

Consistent with the argument that early intervention (through targeting of wage subsidies at job seekers at risk of LTU) could help reduce the number of LTU (Calmfors, 1994; Layard et al., 1991), the TJP was also targeted at MTU job seekers. In addition, MTU job seekers were highly represented amongst TJP recipients, demonstrating that the targeting policy of the TJP may be appropriate and effective (when accessed) in preventing LTU. However, the shift of resources from LTU job seekers to those unemployed for less than 12 months under the JSA model has been criticised for reducing its effectiveness in assisting those who are already LTU or VLTU, and is believed to have contributed to the increasing proportion of LTU and VLTU job seekers across Australia (Davidson, August 2014).This is also consistent with the finding that VLTU job seekers were proportionally less likely to commence a TJP placement.

5. Policy implications

5.1. How effective was the program?

The effectiveness of the TJP is evaluated in light of its objective of helping Tasmanian job seekers who have been employed for six months or more to find sustained employment.

A main objective of wage subsidy programs is to improve employment outcomes for income support recipients, to increase their chance of gaining employment and minimise the risks of long term unemployment (Immervoll & Scarpetta, 2012). As such, the TJP aimed to assist more Tasmanian job seekers who were (or were at risk of being) LTU to find sustained employment.

The overall impact of the TJP has been limited by low program take-up by employers. As a proportion of the total eligible cohort, program take-up was considerably lower than for comparable wage subsidies operating in Tasmania during the same period (e.g. Restart). A combination of factors may have contributed to this:

- Weak labour market conditions in Tasmania may have reduced the demand for employees (especially for low-skilled jobs), resulting in stronger competition for available jobs and greater employer expectations of prospective employees.
- Low employer awareness of the TJP, perhaps due to insufficient promotion efforts, limited subsidy targeting in practice by providers, or Tasmanian employers' preference for informal recruitment methods.
- Some aspects of the program's design appear to have been deterrents to take-up, including the low payment amount and, perhaps to a lesser extent, the payment schedule and full-time/26 week placement requirements. The May 2015 Budget changes to the program, which made part-time placements eligible and offered higher payment amounts, were positive changes which appear to have improved program take-up.
- Negative employer attitudes to the target population which may have been reinforced by the offer of a wage subsidy.

Job seekers who were successful in commencing a TJP placement were likely to have sustained employment outcomes to at least 26 weeks and reduced reliance on income support nine months after placement. In these respects, the TJP placements outperformed the Restart placements in Tasmania, as well as results for comparable job seekers who had commenced full-time, non-subsidised placements during the same period. This is consistent with findings associated with other wage subsidies, such as higher subsequent employment rates and reduced reliance on income support compared to unsubsidised placements (Department of Employment, 2016) and other ALMPs (Borland, 2014; Gerfin et al., 2005; Jaenichen & Stephan, 2011; Katz, 1996; Kluve, 2010; O'Connell, 2002; Sianesi, 2001; Stromback et al., 1999). On the other hand, these positive outcomes may simply reflect selection bias by providers or employers (Graversen & Jensen, 2006), as indicated by job seekers who received the subsidy having fewer barriers to employment than the rest of the eligible caseload.

Of all Australian states and territories, Tasmania had the highest proportion of job seekers unemployed for six months or more (Australian Bureau of Statistics, 2015c). The TJP had a negligible impact on this issue, with the the proportion of JSA/jobactive Tasmanian LTU and VLTU job seekers actually *increasing* over the period that the TJP was in operation. This is not a surprising result given the low program take-up rate and likely level of deadweight loss from the program (based on evidence from other wage subsidy programs). MTU job seekers were highly represented amongst TJP recipients, suggesting that the targeting policy of the TJP may be appropriate and effective (when accessed) in preventing LTU. However, the fact that VLTU job seekers were proportionally less likely to commence a TJP placement than MTU and LTU job seekers, indicates that there were issues with targeting the subsidy to job seekers most in need.

The TJP had some unintended consequences. For instance, youth and male job seekers appeared to benefit most from the TJP by virtue of the industries taking up the TJP also being the largest employers overall, and of youth and male employees in particular. This was a positive outcome given that Tasmania had the highest youth (i.e. 15-24 years) unemployment rate (17.1 per cent versus 13.3 per cent nationally) and that the Tasmanian JSA caseload had a higher proportion of males than the national JSA caseload (Australian Bureau of Statistics, 2015c). Of all TJP placements, youth were also more likely to sustain their placement to 26 weeks. These findings run counter to those of other evaluations of wage subsidy programs which have found that youth and males tend to have the poorest employment outcomes from wage subsidy programs (Betcherman et al., 2000; Calmfors, 1994; Fay, 1996; Heckmann et al., 1999; Katz, 1996; Martin & Grubb, 2001; Schunemann et al., 2013). Another unintended consequence of the TJP was that there was strong program take-up of full-time placements in industries that generally tend to offer more part-time or casual positions (i.e. retail and hospitality) – a potentially positive finding, given the greater shift away from full-time work in Tasmania compared to the rest of Australia.

5.2. Lessons learned and recommendations

There are a number of key lessons from the TJP, and suggested actions to improve the effectiveness of future initiatives.

The TJP was associated with positive secondary benefits, including higher sustained employment rates and reduced reliance on income support. These findings are consistent with evidence from other wage subsidies evaluations showing that, compared to unsubsidised jobs, subsidised jobs are more likely to be sustained and to be associated with higher off-income support rates (Department of Employment, 2016). This may also reflect selection of the most 'job-ready' candidates by employers and/or providers for subsidised placements. This evaluation was not able to assess the cost-effectiveness of the program as data was not available to enable robust comparison of income support savings to Government from these secondary benefits with costs of the program (including subsidy payments and other costs of marketing the program).

Employers report that wage subsidies have a considerable level of substitution and deadweight loss, and are unlikely to offset employers' preferences for job seekers who are 'job-ready' and have relevant skills or training. However, evidence shows that for many unemployed people a casual or part-time job, such as might be obtained through a wage subsidised position that does

not lead to sustained employment with the employer, may still improve long-term employment prospects.

The overall impact of the TJP was limited by low placement take-up rates. Future initatives should therefore address barriers to program take-up, by considering labour market conditions, improving program awareness by employers, job seekers and providers, and improving program design.

Previous evidence has suggested that wage subsidies are most successful in the early phase of a recovery, when job creation rates rise (Quiggin, 2001), and least successful during periods of recession where there is insufficient labour demand (Cook, 2008; Stretton & Chapman, 1990) (O'Neil & Neal, 2008; Stretton & Chapman, 1990). Most TJP placements occurred in labour market regions with higher unemployment rates and lower labour demand. Similarly, TJP and Restart wage subsidy take-up rates were marginally higher in Tasmania than in other states, despite its relatively high unemployment rate and low labour demand. While these findings might suggest that labour market conditions are relatively unimportant for the effectiveness of wage subsidies, it is important to note that wage subsidy take-up was very low (i.e. by approximately 1 per cent of all eligible job seekers) across all states. As such, to maximise the efficacy of any future wage subsidy programs, it is recommended that the timing of program implementation in relation to the economic cycle be carefully considered. In addition, complementary initiatives directed at improving the demand-side of a weak labour market (such as Tasmania's) should be implemented at the same time as supply-side initiatives such as wage subsidies as part of a coherent strategy against unemployment.

To improve program awareness, surveyed employers suggested that information about assistance to employers should be more easily available and directly targeted at employers; for instance, through emails, presentations and printed booklets to employers and employer organisations.[51] As Tasmanian employer preference for informal recruitment methods may also have been a factor against program take-up, the use of government funded employment services could also be better promoted as an efficient, cost-effective means of recruiting suitable employees. This employer preference features in the current jobactive campaign promoting government employment services.

Improvements to the programme's design may also increase program take-up:

- Only full-time placements were eligible for the program (until 12 May 2015) in order to address the relatively low proportion of full-time employment in Tasmania. However, as full-time positions may be relatively difficult to attain in the Tasmanian labour market, relaxing the eligibility criteria to include part-time placements is likely to have helped improve program take-up. As subsidised part-time employment can still improve job seekers' long-term employment and income support outcomes (Buddelmeyer &

[51] Department of Employment, 2015 Survey of Employers (interviews).

Wooden, 2008; Department of Employment, 2016; Gerfin et al., 2005; Wolff & Stephan, 2013; Zijl et al., 2004), future wage subsidies should similarly be available for both part-time and full-time placement opportunities.

- The payment amount offered (until 12 May 2015) may not have been enough to lower the cost (real or perceived) of recruiting the job seeker, or provided sufficient encouragement to hire LTU job seekers. Future initiatives should consider the level of subsidy offered and the incentive it creates for employers to hire subsidised staff. Paying a portion of the subsidy upfront may also assist with any upfront costs associated with recruitment and therefore increase employers' willingness to hire.
- Future initiatives should consider the target population to help improve program take-up and relevance to the target region and issues at hand. For instance, VLTU job seekers were less likely to commence a TJP placement than MTU and LTU job seekers, despite the proportion of VLTU job seekers increasing to almost half of the JSA caseload over the period that the TJP was in operation. Programs that are specifically targeted at the most disadvantaged job seekers (e.g. VLTU) may be required.
- Finally, although this evaluation was unable to assess the relationship between business size and TJP take-up, small business owners in particular appear to have been deterred by some aspects of the TJP design. While small businesses are more likely to be the recipients of wage subsidies, they are also more sensitive to financial risk. In order to improve take-up while minimising deadweight loss, future initiatives should factor this in the program design.

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Table A.1: Unemployed persons by duration of unemployment, 2010 to 2015, Australia and Tasmania (trend)

	June 2010	June 2014	June 2015
Tasmania, < 26 weeks unemployed	64.7	52.1	53.4
Tasmania, > 26 weeks unemployed	35.3	47.9	46.6
Australia, < 26 weeks unemployed	66.8	63.3	61.5
Australia, > 26 weeks unemployed	33.2	36.7	38.5

Source: Australian Bureau of Statistics, Labour Force Australia, 'SA4 – Unemployment Duration', June 2015, time series spreadsheets, cat. no. 6202.0, viewed 30 July 2015.

Return to Figure 2.4.

Table A.2: Comparison of the Tasmanian Job Services Australia caseload to the Australian Job Services Australia caseload at 1 January 2014 (per cent)**Stream**

Category	Tasmania	Rest of Australia	Australia
Stream 1	29.7	34.4	34.2
Stream 2	28.1	25.1	25.2
Stream 3	23.4	18.8	19.0
Stream 4	17.4	19.9	19.8
Stream 1 Limited/Eligibility not yet determined	1.0	1.8	1.7
Total	100.0	100.0	100.0

Length of unemployment

Category	Tasmania	Rest of Australia	Australia
Less than 1 year	40.1	47.1	46.8
LTU: 1 year to less than 2 years	19.7	19.1	19.2
VLTU: 2 years or more	40.2	33.8	34.0
Total	100.0	100.0	100.0

Gender

Category	Tasmania	Rest of Australia	Australia
Male	56.3	52.7	52.8
Female	43.7	47.3	47.2
Total	100.0	100.0	100.0

Age

Category	Tasmania	Rest of Australia	Australia
Youth: Under 22 years	18.3	16.5	16.6
22 to 50 years of age	59.7	62.7	62.5
Mature: Over 50 years of age	22.0	20.8	20.9
Total	100.0	100.0	100.0

Other characteristics

Category	Tasmania	Rest of Australia	Australia
Early school leaver: Year 12 or equivalent not completed	44.1	40.0	40.2
Ex-offender	14.0	10.9	11.0
Indigenous	8.0	9.3	8.5
Disability	24.9	26.2	26.1
Homeless	10.7	10.8	10.8
Total number of job seekers	25,621	774,375	799,996

Note: Numbers may not add up to the totals due to rounding.
Source: Department of Employment administrative data.

Return to text where this data is referenced.

Table A.3: Number of TJP and Restart wage subsidies commenced under JSA by month, 1 January 2014 to 31 July 2015

Month	TJP Full-time	TJP Part-time	Restart (Tasmania)
January 2014	5	-	-
February 2014	12	-	-
March 2014	15	-	-
April 2014	11	-	-
May 2014	12	-	-
June 2014	15	-	-
July 2014	5 *(8)*	-	2
August 2014	8	-	7
September 2014	16	-	14
October 2014	8	-	6
November 2014	5	-	6
December 2014	8 *(9)*	-	7
January 2015	7	-	4
February 2015	5	-	8
March 2015	6	-	6
April 2015	3 *(4)*	-	3
May 2015	7	-	6
June 2015	9 *(10)*	1 *(2)*	4
July 2015	15	1	4
Total to July 2015	178	3	77

Notes:

1. Where this figure differs, the total number of placements (i.e. made under either JSA or DES) commenced each month is shown in brackets.
2. Restart commenced in July 2014.
3. From 13 May 2015 part-time placements were eligible to receive the TJP.

Source: Department of Employment administrative data.

Return to text where this data is referenced.

Table A.4: Cumulative monthly take-up of TJP and Restart (Tasmania only) under JSA/jobactive relative to the size of the eligible caseload (as at July 2014)

Month	TJP	Restart
January 2014	0.034	n.a.
February 2014	0.117	n.a.
March 2014	0.220	n.a.
April 2014	0.296	n.a.
May 2014	0.378	n.a.
June 2014	0.481	n.a.
July 2014	0.516	n.a.
August 2014	0.571	0.043
September 2014	0.681	0.304
October 2014	0.735	0.413
November 2014	0.770	0.500
December 2014	0.825	0.587
January 2015	0.873	0.673
February 2015	0.907	0.826
March 2015	0.949	0.956
April 2015	0.969	0.999
May 2015	1.017	1.108
June 2015	1.086	1.130
July 2015	1.196	1.151

n.a. = not applicable.

Source: Department of Employment administrative data.

Return to Figure 3.1.

Table A.5: TJP placements by industry, 1 January 2014 to 31 July 2015

Industry	Number	Per cent
Mining	1	0.6
Public Administration and Safety	1	0.6
Wholesale Trade	2	1.2
Rental, Hiring and Real Estate Services	2	1.2
Electricity, Gas, and Water Supply	4	2.4
Health Care and Social Assistance	4	2.4
Education and Training	5	3.0
Professional, Scientific and Technical Services	9	5.4
Agriculture, Forestry and Fishing	12	7.2
Accommodation and Food Services	15	9.0
Manufacturing	17	10.2
Transport and Storage	19	11.5
Retail Trade	21	12.7
Other Services	25	15.1
Construction	29	17.5
Unknown	8	0.0
Total	174	100.0

Note: Excludes seven placements made under DES.
Source: Department of Employment administrative data.

Return to Figure 3.3.

Table A.6: Characteristics of JSA and jobactive job seekers who commenced a TJP-subsidised placement compared to all TJP-eligible JSA job seekers and the Tasmanian JSA caseload at 1 January 2014 (per cent)

Gender

Characteristic	Commenced TJP placement	TJP eligible	Tasmanian JSA caseload
Male	73.6	56.0	56.3
Female	26.4	44.0	43.7
Total	100.0	100.0	100.0

Age

Characteristic	Commenced TJP placement	TJP eligible	Tasmanian JSA caseload
Youth: Under 22 years	31.0	13.9	18.3
22 to 50 years of age	60.4	64.0	59.7
Mature: Over 50 years of age	8.6	22.1	22.0
Total	100.0	100.0	100.0

By length of unemployment

Characteristic	Commenced TJP placement	TJP eligible	Tasmanian JSA caseload
Less than 6 months	1.2	3.2	25.2
MTU: 6 months to less than 1 year	20.1	17.3	14.9
LTU: 1 year to less than 2 years	42.5	24.9	19.7
VLTU: 2 years or more	36.2	54.6	40.2
Total	100.0	100.0	100.0

Stream

Characteristic	Commenced TJP placement	TJP eligible	Tasmanian JSA caseload
Stream 1	18.8	19.1	29.7
Stream 2	46.1	29.0	28.1
Stream 3	20.1	29.5	23.9
Stream 4	14.9	22.4	17.4
Total	100.0	100.0	100.0

Other characteristics

Characteristic	Commenced TJP placement	TJP eligible	Tasmanian JSA caseload
Early school leaver: Year 12 or equivalent not completed	39.1	48.3	44.1
Ex-offender	20.6	16.9	14.0
Indigenous	16.1	8.2	8.0
Disability	20.7	32.1	24.9
Homeless	14.9	12.5	10.7
Total number of job seekers	174	15,992	25,621

Notes:

1. Stream percentage figures based on JSA data only.
2. Numbers may not add up to the totals due to rounding.

Source: Department of Employment administrative data.

Return to Figure 3.4.

Table A.7: TJP placements by whether an EPF subsidy was used in conjunction with a TJP wage subsidy and employing industry, 1 January 2014 to 31 July 2015

Industry	Without EPF wage subsidy	With EPF wage subsidy	Total
Agriculture, forestry and fishing	6	6	12
Mining	0	1	1
Manufacturing	11	6	17
Electricity, gas, water and waste services	3	1	4
Construction	18	11	29
Wholesale trade	2	0	2
Retail trade	12	9	21
Accommodation and food services	11	4	15
Transport, postal and warehousing	13	6	19
Rental, hiring and real estate services	1	1	2
Professional, scientific and technical services	7	2	9
Public administration and safety	1	0	1
Education and training	3	2	5
Health care and social assistance	2	2	4
Other services	16	9	25
Unknown	8	0	8
Total	114	60	174

Note:

1. Excludes seven DES TJP placements.
2. Includes 22 TJP placements made under the jobactive model, who did not have access to the JSA model EPF wage subsidy.

Source: Department of Employment administrative data.

Return to text where this data is referenced.

Table A.8: Provider attitudes towards the potential outcomes and deterrents to take-up of TJP

Attitudes towards TJP	Very Likely	Likely	Unlikely	Very Unlikely	Undecided	Don't Know/Unsure	Total
"Influence employers to hire job seekers"	22.2	22.2	33.3	5.6	16.7	0.0	100.0
"Provide sustained employment opportunities"	16.7	44.4	27.8	5.6	5.6	0.0	100.0
"Help overcome employment barriers"	16.7	27.8	33.3	5.6	11.1	5.6	100.0
"Waiting six months for a payment is too long"	38.9	22.2	16.7	0.0	11.1	11.1	100.0
"$3,250 is not enough of an incentive"	38.9	16.7	22.2	0.0	11.1	11.1	100.0
"Documentation and record keeping"	11.1	27.8	44.4	0.0	11.1	5.6	100.0
"Only available for job seekers unemployed for at least six months"	27.8	11.1	50.0	0.0	5.6	5.6	100.0
"Needing to provide a placement for at least 26 weeks"	50.0	27.8	11.1	0.0	5.6	5.6	100.0
"Needing to provide a full-time placement"	72.2	11.1	5.6	0.0	5.6	5.6	100.0

Note: Numbers may not add up to the total due to rounding.

Source: Department of Employment, 2015 Survey of Employment Service Providers.

Return to Figure 3.6.

Table A.9: Proportion of TJP job placements for JSA job seekers that achieved a 26 week outcome by job seeker and job placement characteristics(per cent)

Job seeker characteristics

Stream

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Stream 1	35.4	16.5
Stream 2	22.9	57.0
Stream 3	18.8	13.9
Stream 4	22.9	12.7
Total	100.0	100.0

Gender

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Female	33.3	26.6
Male	66.7	73.4
Total	100.0	100.0

Age

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Youth: Under 22 years	22.9	38.0
22 to less than 50 years	66.7	54.4
Mature: Over 50 years of age	10.4	7.6
Total	100.0	100.0

Length of unemployment

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Less than 6 months unemployment	2.1	16.7
MTU: 6 months to less than 1 year	27.1	44.9
LTU: 1 year to less than 2 years	43.8	38.5
VLTU: 2 years or more	27.1	0.0
Total	100.0	100.0

English proficiency

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Good English proficiency	95.8	93.7
Mixed or poor English proficiency	4.2	6.3
Total	100.0	100.0

Indigenous status

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Does not identify as Indigenous	87.5	88.5
Indigenous	12.5	11.5
Total	100.0	100.0

Disability status

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
No disability	87.5	76.0
With disability	12.5	24.1
Total	100.0	100.0

Ex-offender status

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Not an ex-offender	73.9	80.8
Ex-offender	26.1	19.2
Total	100.0	100.0

Homeless status

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Not homeless	85.4	83.5
Homeless	14.6	16.5
Total	100.0	100.0

Early school leaver status

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Not early school leaver	60.4	57.0
Early school leaver	39.6	43.0
Total	100.0	100.0

Job placement characteristics

Job skill level

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Low skilled level job	54.4	38.0
Moderately skilled level job	34.8	51.9
Highly skilled level job	10.9	10.1
Total	100.0	100.0

Industry

	Did not achieve a 26 week outcome	Achieved a 26 week outcome
Industry: Agriculture, forestry and fishing	2.2	10.1
Industry: Mining	2.2	0.0
Industry: Manufacturing	6.5	10.1
Industry: Electricity, Gas, Water and Waste Services	2.2	2.5
Industry: Construction	19.6	16.5
Industry: Wholesale Trade	2.2	0.0
Industry: Retail Trade	17.4	7.6
Industry: Accommodation and food services	13.0	6.3
Industry: Transport, postal and warehousing	6.5	13.9
Industry: Rental, hiring and real estate services	2.2	1.3
Industry: Professional, scientific and technical services	6.5	3.8
Industry: Public administration and safety	0.0	1.3
Industry: Education and training	4.4	2.5
Industry: Health care and social assistance	0.0	5.1
Industry: Other services	15.2	19.0
Total	100.0	100.0

Note: Numbers may not add up to the total due to rounding.
Source: Department of Employment administrative data.

Return to text where data is referenced.

Table A.10: Average Marginal Effect (AME) estimates of the predicted probability of income support status nine months after commencing a full-time job placement in Tasmania, TJP compared with non-TJP subsidised placements made between 1 January 2014 and 31 October 2014 (percentage point difference)

Job seeker characteristics	OFF AME estimate	PARTIAL AME estimate	FULL AME estimate
Total	13.0	-8.6	-4.4
Stream 1	11.2	-6.5	-4.8
Stream 2	13.8	-9.2	-4.6
Stream 3	14.7	-12.9	-1.8
Stream 4	13.9	-8.8	-5.2
Male	13.1	-8.2	-4.9
Female/Unknown	12.8	-9.4	-3.4
Under 21 years	12.1	-5.9	-6.1
21-24 years	12.4	-7.1	-5.2
25-34 years	12.9	-9.8	-3.1
35-49 years	14.8	-11.3	-3.6
50-64 years	12.1	-8.0	-4.2
Education: Less than Year 10	14.5	-13.5	-1.0
Education: Year 10/11	14.3	-10.1	-4.2
Education: Year 12	12.7	-7.3	-5.4
Education: TAFE/Diploma	13.0	-8.2	-4.7
Education: Degree/Post graduate	8.7	-6.1	-2.6
Job seeker residence: Inner Regional Australia	12.8	-8.6	-4.3
Job seeker residence: Outer Regional and Remote	13.2	-8.7	-4.6
Not part-time work capacity	13.0	-7.9	-5.0
Part-time work capacity	13.0	-13.3	0.3
Does not identify as Indigenous	13.0	-8.6	-4.4
Indigenous	12.7	-8.4	-4.2
Not a single parent	13.1	-8.2	-4.9
Single parent	12.0	-13.7	1.8

Notes:

1. Includes all TJP JSA placements, whether or not the incentive payment was paid.
2. Only full time job placements considered.
3. Only those on NSA, YA(O) or Parenting Payment included in this analysis.
4. AMEs represent the average marginal effect of the predicted probability that a job seeker will have a particular income support status, holding other explanatory variables constant.

Source: Department of Employment administrative data and Research and Evaluation dataset (RED).

Return to text where data is referenced.

Table A.11: Length of unemployment of job seekers on the JSA caseload at 1 January 2014 and the jobactive caseload at 1 July 2015 (per cent)

At 1 January 2014

	Tasmania	Rest of Australia	Australia
Less than 6 months	25.2	29.9	29.7
MTU: 6 months to less than 1 year	14.9	17.2	17.1
LTU: 1 year to less than 2 years	19.7	19.1	19.2
VLTU: 2 years or more	40.2	33.8	34.0
Total	100.0	100.0	100.0

At 1 July 2015

	Tasmania	Rest of Australia	Australia
Less than 6 months	18.5	24.5	24.3
MTU: 6 months to less than 1 year	12.9	15.1	15.0
LTU: 1 year to less than 2 years	19.9	20.2	20.2
VLTU: 2 years or more	48.7	40.2	40.5
Total	100.0	100.0	100.0

Note: Numbers may not add up to the total due to rounding.
Source: Department of Employment administrative data.

Return to Figure 4.1.